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4 January 1985

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FOREIGN MINISTER ADDRESSES ASEAN-EC MEETING

BK060302 Kuala Belait THE BORNEO BULLETIN in English 24 Nov 84 p 2

[Text] Dublin--Brunei has pleaded strongly for "humanising" existing economic, technological and political cooperation between ASEAN and the European Community.

The statement by the foreign minister, Perdana Wazir Prince Mohamed last week was Brunei's first as a participating member at the ASEAN-EC ministerial meeting.

Prince Mohamed earlier signed his country's accession to the ASEAN-EC Cooperation Agreement.

After the ceremony, the Prince spoke of the question of human resource development.

He noted that since 1980, when the agreement was signed in Kuala Lumpur, the EC had responded well to ASEAN requests for training programmes.

This was particularly favourable in the transfer of technology, regional integration, science and technology, personnel and marketing research, insurance and management of public enterprises.

But the prince said cooperation in human resource development tended to ignore the social and cultural aspects.

"It is ASEAN's contention that economic development should go hand-in-hand with social and cultural development.

"To concentrate only on economic development will only produce an economic man devoid of any human feelings.

"In the end we will only create a robot and destroy the very fabric of our society," he said.

He said cooperation between ASEAN and the community ought to include training programmes for ASEAN nationals in social and cultural fields.

Prince Mohamed said Europe, with its renowned institutions in the arts, was in a favourable position to offer training in museology and archaeology.

He suggested that two areas where there could be more cooperation were in "people-to-people contact" and cooperation in solving the drug problem among youths.

"The thrust of future training programmes should not be one-sided, but a more balanced one to include the social and cultural fields," Prince Mohamed added.

EC imports from Brunei consist mainly of petroleum products and reportedly total B\$42.8 million annually. The EC sells about five times as much to Brunei, mainly transport equipment and manufactured goods.

CSO: 4200/265

TROOPS BEGIN TRAINING EXERCISE IN AUSTRALIA

BK060309 Kuala Belait THE BOKNEO BULLETIN in English 17 Nov 84 p 40

[Excerpts] Bandar Seri Begawan--More than 100 Brunei soldiers have begun a major training exercise in Australia.

They have switched from the steamy, tropical Brunei jungle to the eucalyptus forests of Queensland.

The men of the Royal Brunei Armed Forces D Company, First Battalion, are on an arduous 3-week exercise code-named Arah Selatan '84 (Direction South) at the Canungra Land Warfare Centre near Brisbane.

They are expected to return to Brunei next weekend when they will be replaced by E Company, Second Battalion. E Company, comprising a similar number of men, will undergo the same 3-week course.

Arah Selatan is Brunei's first military exercise in Australia and if successful other RBAF companies could be sent to Canungra next year.

"The purpose of the Australian exercise is to increase the effectiveness of our infantry companies and raise their standards by putting them through different terrain," RBAF Commander Brigadier General Datuk John Freidberger said.

The course comprises 10 days of practical instruction followed by 8 days of exercises including patrols and ambushes in the rugged country.

The training is expected to give the Bruneians close-country operational experience suitable for use in jungle and coastal areas.

The RBAF is expected to send senior officers to Australia at the end of the month for the annual defence cooperation seminar between the Australian military and regional forces.

CSO: 4200/265

BORNEO BULLETIN ON VISIT BY INDONESIA'S SUBROTO

BK130223 Kuala Balaht THE BORNEO BULLETIN in English 1 Dec 84 [no page given]

[Text] Bandar Seri Begawan—Brunei has been invited to attend this month's OPEC meeting in Geneva as an observer.

The invitation to the 16 December gathering came from Indonesia's mining and energy minister, Prof. Dr. Subroto.

Professor Subroto ended a two-day visit to the Sultanate last week after "exploratory" talks with senior officials. He said his trip was to "explore the possibility of increased cooperation" between their two countries.

Professor Subroto was accompanied by three senior officials of the Indonesian state-owned oil company, Pertamina--managing director, Mr Abdul Rahman Ramli, Mr Sudarno, engineering director-general, and Mr Iwan Sutan Asadin, director of exploration.

The Indonesians were taken on a helicopter tour of Brunei Shell Petroleum's champion 7 offshore oilfield.

They were also briefed on Brunei's oil and gas production by Brunei Shell managing director, Mr Nico Johan van Dijk.

Professor Subroto's talks with Brunei officials also covered the recent OPEC meeting in Geneva.

Brunei Shell has said it has cut back oil production following a worldwide fall in demand. Output is currently down to 110,000 barrels a day from an average of 175,000, which had been maintained for most of the year.

CSO: 4200/269

JAKARTA PRESS VIEWS COUNTRY'S EXPORT SITUATION

BK080915 Jakarta Domestic Service in Indonesian 2300 GMT 7 Dec 84

[From the Press Review]

[Excerpt] ANGKATAN BERSENJATA was attracted to the problem of the fuel subsidy. According to ANGKATAN BERSENJATA, diversification efforts to promote nonoil and nongas commodities, which have been intensified since 1982, were completely successful as shown by annual exports' exceeding their target. Recent attempts to search for new markets in the East European countries should be repeated in other areas of the world so that nonoil and nongas commodities will finally replace oil and gas as the primary national products.

ANGKATAN BERSENJATA was still of the opinion that more time will be required to implement that, and meanwhile oil and gas will remain the primary source of national exports.

While still on the oil program, BERITA YUDHA observed that PRC oil production has flooded the oil market. According to BERITA YUDHA, this fact was not denied by the president director of the state-owned oil company PERTAMINA, A.R. Ramli. In fact, there were rumours of a possibility that Japan will buy oil from the PRC because of the lower price.

This daily said that this rumour will definitely cause grave concern to Indonesia, since for the moment Japan is the biggest consumer of Indonesian oil and liquefied natural gas. Japan now imports about 15 percent of its crude oil requirement from Indonesia. According to BERITA YUDHA, the PRC should now be taken into account in view of Indonesia's export of nonoil and nongas commodities.

It is true that Indonesia has not yet restored its diplomatic ties with the PRC, but trade relations could definitely be handled in ways that do not contradict the existing regulations.

CSO: 4213/70

TRADE SURPLUS SINCE 1973

Jakarta HARIAN UMUM AB in Indonesian 26 Oct 84 p 1

[Text] In the last 10 years the Indonesian balance of trade has consistently shown a surplus.

Data obtained from the National Export Development Board (BPEN) indicate that the surplus in 1973 was only \$500 million; by 1983 it had jumped to \$4.8 billion.

The largest trade surplus in the last 10 years was in 1981, with a figure of \$11.9 billion. In 1982, however, it dropped to \$5.4 billion and in 1983 it dropped again to \$4.8 billion.

The main reason for the decline in the Indonesian balance of trade was the decline in Indonesian exports and the rise in imports.

The value of Indonesian exports in 1981 was \$25.1 billion. It dropped in 1982 to \$22.3 billion, and again in 1983 to \$21.1 billion.

Meanwhile, the value of Indonesian imports in 1981 was \$13.3 billion. In 1982 it rose to \$16.8 billion, and in 1983 it dropped to \$16.4 billion.

The value of Indonesian exports over the last 10 years (1973-1983) has shown an average increase of 20.7 percent per year. Indonesian exports in 1973 were valued at \$3.2 billion and in 1983 they had risen to \$21.1 billion.

The biggest percentage increases were in 1974 and in 1980, 131.3 percent and 40.5 percent respectively.

The main impetus for the increase in Indonesian exports in those 2 years was the rise in the price of oil on the world market: from \$2.28 per barrel in 1973 to \$11.65 per barrel in 1974 and to \$34 per barrel in 1979.

Nonoil Products

Meanwhile, nonoil commodity exports during the period 1973-1983 tended to increase, reaching their peak in 1980, valued at \$6.2 billion; however, in 1981 they dropped to \$4.5 billion and again to \$3.9 billion in 1982.

The main reason for the decrease in the value of nonoil commodity exports was the recession which hit the world during that period.

The biggest Indonesian nonoil export commodity was timber, including plywood and sawn wood, followed by rubber, coffee, tin, palm oil, minerals, handicrafts, frozen shrimp and tea.

At the same time, Indonesia's main import commodities are capital goods such as industrial equipment, chemicals and ancillary raw materials for industry.

9846

CSO:4213/72

REVISION OF TRANSMIGRATION PATTERN SUGGESTED

Surabaya SURABAYA POST in Indonesian 25 Oct 84 p 4

[Text] Bandar Lampung--It is time for the government to look into how far and for how long the current transmigration pattern is capable of raising the standard of living of transmigrants.

Such an investigation has never been carried out even though it is very important for determining the most appropriate transmigration pattern.

Yasir Hadibroto, governor of Lampung, gave this opinion in opening the seminar and workshop of the Indonesian Association of Amateurs and Experts in Education, Population and Environment (HIPA-PKLHI) on Wednesday [24 October] in the auditorium of the Meneng Building of the nondegree-granting technical school of UNILA (Lampung University).

Governor Yasir stated that Lampung has taken steps in that direction. It turns out that current transmigration patterns are only capable of raising the standard of living of transmigrants for about 8 years.

This is due to an increase in the size of transmigrants' families so that the 2 hectares originally assigned to each family have to be tilled after 8 years by two or three families.

According to this survey, it is quite possible that in 3 or 4 years Lampung will be forced to transmigrate some of its population.

Also according to this research, since the beginning of PELITA III [Third 5-Year Development Plan] Lampung has carried out a program of local transmigration for about 50,000 families. This policy will continue in PELITA IV for about another 35,000 families.

The governor admitted that population and living-space problems are national in scope. Because of this, it is hoped that the seminar put on by HIPA-PKLHI will be able to come up with a concrete new way of approaching the masses so that they will feel responsible for the important problems of population and living space.

This new way is, for example, a humanitarian approach in planned parenthood and other programs.

Development policies concerning population and living space must continue to be

carried out in order to broaden the dimensions of development itself, Yasir said, because development does not only mean raising the material standard of living but raising the real quality of life.

The development of living space is not merely physical control but it has a close connection with fiscal policies regulating the socioeconomic behavior of individuals or society. Therefore, in an indirect way those policies also regulate the development of living space so that it accords with the supporting force of that vision.

In such a policy, said the governor, development in a region will have to pay attention to the effects of the contact between the existing social ecosystems so that it will be of use to the coming generation.

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CSO:4213/72

BAPPENAS TO SMOOTH DEVELOPMENT PROJECTS

Jakarta KOMPAS in Indonesian 24 Oct 84 pp 1, 8

[Text] The National Development Planning Board (BAPPENAS) has taken steps to smooth development projects so that the unspent development budget (SIAP) can be reduced. J. B. Sumarlin, minister of state for national development planning and chairman of BAPPENAS, reported to President Soeharto at the Istana Merdeka [the presidential palace] yesterday on the steps which have been taken.

Present at this meeting were Radius Prawiro, minister of finance, Saleh Afiff, minister of state for administrative reform, and Sudharmono, SH [Master of Laws], minister of state and state secretary.

After the meeting, Sudharmono explained to the press that the steps taken by BAPPENAS included checking directly with each department. After that, efforts will be made to overcome the problems faced by the department concerned step by step. Sudharmono said that in general the problems involved acquiring land, administration, appointing project leaders and so forth.

Minister Sumarlin, at a working meeting of Commission V of the DPR-RI [Republic of Indonesia Parliament] held some time ago, said that a SIAP not exceeding 20 or 25 percent of the entire budget could be tolerated. However, if it exceeded that amount, it would be checked closely.

Sumarlin said that there are several reasons for the SIAP. First, imperfect planning; second, natural disasters which prevent development; third, the difficulty of obtaining land; and fourth, project leaders who do not stay with the project.

Projects in Aceh

A KOMPAS reporter who looked at several irrigation projects in West and East Aceh for 4 days at the beginning of this week concluded that almost all of them were bogged down because they had run up against the problem of acquiring land. If this problem is allowed to go on for too long, it is feared that it will affect other projects as well and will totally hamper all development efforts now under way.

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CS0:4213/72

EQUITABLE INVESTMENT POLICY DESCRIBED

Jakarta SINAR HARAPAN in Indonesian 24 Oct 84 pp 1, 12

[Text] With the decision to simplify the procedures for capital investment the government will give every member of society the same entrepreneurial opportunities. The government hopes that this policy will stimulate people, especially businessmen, to invest capital.

Eng Anwar Ibrahim, first deputy chairman for planning and control of the Capital Investment Coordinating Board (BKPM), announced this to SINAR HARAPAN in his office on Monday [22 October]. He was clarifying decision No 15/1945 [as published], issued by the chairman of the BKPM and concerning the "Simplification of Procedures for Requests for PMDN [Domestic Capital Investment] and PMA [Foreign Capital Investment] Agreements and Facilities." The decision went into effect on 1 October 1984.

Eng Anwar Ibrahim, in his statement, advised businessmen, especially small businessmen, who wished to make use of the opportunities made available by the government, to invest cooperatively and not as individuals because the risk is too great.

The new policy simplifies capital investment procedures, giving not only corporations (PT) but also corporate bodies such as cooperatives, firms, CV [Limited Partnerships] and even individuals the opportunity to obtain PMDN facilities.

Risk Reduced

The suggestion proposed by the first deputy chairman of the BKPM that businessmen invest cooperatively is based on the idea that small businessmen in Indonesia, in general, are afraid to take risks because they are inexperienced, because they have limited capital and because interest rates are rather high at the moment. "Individual risk can be reduced if businessmen are prepared to cooperate. By cooperating, risk can be shared," said Anwar Ibrahim.

He said that it is not a matter of whether investment is individual or through a corporate body. Investment is a matter of how a businessman sees his future prospects and risks. Therefore, even if a businessman has the money and is given the opportunity, if he thinks that his individual risk is too great, he will not dare to invest. Anwar Ibrahim suggested that businessmen join together to reduce individual risk. Cooperating will increase capital and divide risk equitably, he said.

He said that if investments by small businessmen are handled well, it can help to solve employment problems, since projects managed by small businessmen are usually labor intensive. Included here is the equalization aspect, from the point of view both of business and of employment. "One of the main aims of the new policy simplifying capital investment procedures is in fact equalization."

FOREIGN LOGGERS BEING PHASED OUT

Jakarta HARIAN UMUM AB in Indonesian 25 Oct 84 p 3

[Text] There will be no more foreign workers in logging by April 1985. Those in the area of processing forestry products will be gradually reduced in accordance with educational and training programs being implemented by the government and by other agencies.

A HARIAN UMUM AB source at the Department of Forestry made this statement yesterday.

He said that the Indonesianization program in forestry is being carried out in accordance with KEPPRES [Presidential Decision] No 23/1974, which makes it clear that foreign workers in PMA [Foreign Capital Investment], PMDN [Domestic Capital Investment] and other enterprises must pay the Education and Training Levy (IWPL). From the beginning the IWPL was fixed at \$400 per man per day. As of the end of August 1984 7.7 billion rupiahs of IWPL funds has been collected. There are now 2,300 foreign workers in the field of forestry.

This IWPL fund is used to support the education and training of Indonesian workers to replace foreign workers; this is felt to be rather urgent.

Up to now, the Department of Forestry has educated and trained workers in mechanical techniques (TMM), processing techniques (TTP) and forestry techniques (TTK); this has also been funded by the IWPL.

Up to now, 926 people--113 wood testing supervisors and the rest TMM, TTP and TTK workers--have been trained and educated.

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CSO:4213/72

STEEL OUTPUT BELOW INSTALLED CAPACITY

Jakarta KOMPAS in Indonesian 26 Oct 84 p 2

[Text] National steel production is still far below the installed capacity. In 1984, actual production was about 1.4 million tons, while the installed capacity was about 2.2 million tons. National consumption is 2.8 million tons.

Ginandjar Kartasasmita, junior minister for domestic product production, made this statement in his written remarks opening the seminar on the Use of Steel in the Construction Industry on Thursday [25 October]. This 1-day seminar, attended by about 400 participants, was put on by the Indonesian Construction Professionals Association and by Krakatau Steel, Inc.

Ginandjar said that steel use in Indonesia is only about two-thirds of national capacity. "And yet national steel consumption is about 2.8 million tons. Making use of 100 percent of national capacity only fulfills two-thirds of national needs," he said.

It is clear from this figure that on the one hand national capacity is not being fully used and on the other hand a lot of steel still has to be imported to fulfill national needs. This is a problem which must be solved cooperatively. "The way is to increase the use of domestic iron and steel products to fulfill the needs of national development activities," said Ginandjar.

Inconsistent Quality

The minister went on to say that designers and planners occupy a strategic position in increasing the use of iron and steel products. Planners determine the system to be applied and the materials to be used in development projects. This is the key to the use of domestic products.

The minister said that domestic products, even before being offered in bidding, frequently cannot meet technical specifications that were drawn up without taking domestic production standards into account.

Sometimes there is only a small discrepancy and only a small change is needed to meet the requirements. Contractors who become managers of projects often do not help by making use of domestic products in construction.

Furthermore, domestic producers often cannot offer competitive goods. "Consumers

complain because the price is too high and the quality is not good enough. They are also of variable quality and undependable," said Ginandjar Kartasasmita.

Must be Clear

Hartarto, the minister of industry, in his written statement of welcome, said that there must be a clear connection between industrial development and the supply of raw materials.

Hartarto said that the steel industry has developed satisfactorily. Installed capacity for steel bars, reinforced concrete and profile steel is 1 million tons a year. The installed capacity for steel plate is also 1 million tons a year.

9846

CS0:4213/72

BRIEFS

SPANISH TRADE DELEGATION RECEIVED--Minister of Trade Rakhmat Saleh received a courtesy call from Spanish Junior Minister of Trade (Louis de Valas Corani) at the Trade Department last night. (Louis de Valas Corani) and a number of Spanish industrialists arrived at the Halim Perdanakusumah Airport on Wednesday afternoon. Minister Rakhmat Saleh explained that their visit to Indonesia was to expand bilateral trade relations between the two countries. On Thursday, they will meet some Indonesian officials, including the coordinating minister for economics, finance, industry and development control; the minister of communications; the minister of finance; the minister of state for research and technology. In addition, the Spanish trade minister will hold a meeting with the Indonesian Chamber of Commerce and Industry and will pay a visit to PT Nurtanio in Bandung. [Text] [Jakarta Domestic Service in Indonesian 2300 GMT 5 Dec 84 BK]

AMBASSADOR TO POLAND--The Indonesian ambassador to the Polish People's Republic, Hasan Abdul Jalil, presented his credentials to the chairman of the Council of State, Henryk Jablonski, in Warsaw yesterday [6 December]. Later, Ambassador Hasan Abdul Jalil laid a wreath of flowers on the Unknown Heroes' Cemetery in Warsaw. [Summary] [Jakarta Domestic Service in Indonesian 1200 GMT 7 Dec 84 BK]

FACILITIES OFFERED TO BUSINESSMEN--The People's Republic of China has offered the necessary facilities to Indonesian businessmen interested in investing their capital in the PRC or making a business trip to that country. The offer was made by the Chinese ambassador to Bucharest to the Indonesian ambassador to Romania, Isnaeni. In his interview with ANTARA in Hamburg yesterday, Ambassador Isnaeni said that the Chinese ambassador told him that the PRC welcomes the Indonesian Government policy to establish direct economic and trade relations with China. This has been conveyed by Ambassador Isnaeni to the top level at the Foreign Affairs Department in Jakarta. Romania is acting as the PRC representative to handle PRC matters in Indonesia since relations between Indonesia and the PRC were frozen as result of the PKI (Indonesian Communist Party) 30 September Movement in 1965. [Text] [Jakarta Domestic Service in Indonesian 0700 GMT 8 Dec 84 BK]

BRIEFS

SOVIET JOURNALISTS DEPART--Phnom Penh, 1 Dec (SPK)--A delegation of the Union of Soviet Journalists (U.S.J.) left Phnom Penh Saturday, ending a three-day visit to Kampuchea. The delegation was led by Dzhumaliyevich Tursunov, member of the Communist Party of Kirgizia Central Committee, member of the Supreme Soviet of the Kirgiz Republic, editor-in-chief of the SOVETSKAYA KIRGIZIA paper and secretary of the U.S.J., was seen off at Pochentong airport by Pen Fanhnha, deputy editor-in-chief of the KAMPUCHEA weekly. While in Kampuchea the Soviet journalists were received by Men Sam-an, member, and president of the Commission for Propaganda and Education of the People's Revolutionary Party of Kampuchea Central Committee; Meas Samang, minister of industry; and Pen Navouth, minister of education. [Text] [Phnom Penh SPK in English 1132 GMT 1 Dec 84 BK]

CUBAN GIFT--Phnom Penh, 6 Dec (SPK)--Kampuchea has received 1,500 tons of sugar as gift from the Government of the Republic of Cuba. The gift was handed over in a ceremony organized at Kompong Som city in the presence of Lim Nai, secretary of the municipal committee of the People's Revolutionary Party of Kampuchea, and Nhim Vanda, vice minister of planning. Also present was Viriato Mora Diaz, Cuban charge d'affaires a.i. This was the second time Cuba presented Kampuchea with sugar. The first one included 2,500 tons. [Text] [Phnom Penh SPK in English 1115 GMT 5 Dec 84 BK]

VIETNAMESE TRADE DELEGATION--Phnom Penh, 5 Dec (SPK)--A Vietnamese trade delegation led by Vice Minister of Foreign Trade Nguyen Manh Cam arrived in Phnom Penh on Tuesday [4 December] for an official visit to Kampuchea. It was welcomed on its arrival by Thong Chan, vice minister of home and foreign trade, and Nguyen Hoa, Vietnamese Embassy charge d'affaires a.i. The delegation is scheduled to sign a protocol on trade cooperation between Kampuchea and Vietnam for 1985. [Text] [Phnom Penh SPK in English 1106 GMT 5 Dec 84]

CSO: 4200/262

COLUMNS ASSESSES PROSPECTS FOR RELATIONS WITH THAILAND

Vientiane VIENTIANE MAI in Lao 26, 27 Oct 84 p 2, pp 2, 4

/Column: "On What and Whom Do Improving Relations Between Laos and Thailand Depend"/

/Text/ As far as we have been able to ascertain, it seems that relations between Laos and Thailand have always been very difficult no matter what the period. During the time of the puppet regime in Vientiane, even though the Thai reactionaries had the same system as they did, the Thai did everything to oppress, insult, and create difficulties for Laos. It seems to us that relations with them at that time amounted to their taking advantage; they decided on courses of action in many areas and forced Vientiane to go along with them.

Later, after our nation had been liberated, the Thai reactionaries showed that they were neighbors who were very hostile to Laos. They did not conceal their schemes to oppose the recovery of the nation and the independence of our people. The supreme example of the opposition of the Thai reactionaries to Laos is their sending troops to seize Ban Mai Village, Ban Kang Village, and Ban Savang Village in Sayaboury Province, Laos on 6 June 1984.

Since the Thai reactionaries have shown what they really want to do, on what and whom will an improvement in Lao-Thai relations depend?

We understand what the Thai reactionaries have wanted relations with Laos to be no matter what the period. They want the Lao people to agree to give them completely the nationhood, independence, and the grassy plateaus of their nation. If the Lao people do this, it might satisfy them.

Lao-Thai relations have been depressed and crisis-prone for centuries. The reason for this is that the Thai reactionaries have caused relations to be like "the hyena and the sheep." In the past Lao and Thai territory was under the sway of the same type of system, and they acted in that way. Recently Laos established a new system, and they were angry and indignant. They complained and showed they were disappointed about their scheme to gobble up Laos according to the (plan/ called: "the great Thai doctrine of the expansionists."

The victory of the Lao revolution destroyed their evil plans.

Because of this they increased their hostility to the Lao people openly more and more.

We do not have to research for long to ascertain who in the past and in the present has destroyed the good relations between the Lao people and the Thai people and who has had good intentions and wants to make the relationship better.

The Lao people understand this well and are fed up with it, so there is nothing else to say about the hostile attitude of the Thai reactionaries toward the Lao people. The suffering and bullying in past Lao-Thai relations have permeated the fiber of all the Lao people. Any Lao who does not resent the Thai reactionaries is not completely Lao.

Whenever we reconsider this problem, we become very resentful.

But now the Lao have discovered a moral concept which is the greatest of the era. [They] are rebuilding the Lao nation along socialist lines with the light of Marxist-Leninist policy showing the way. For this reason the Lao, who from their origins were a nationality with a great moral sense, would not take old fashioned revenge by exhorting other Lao to pursue an ideology of revenge and destruction at all.

The Marxist-Leninist revolutionary morality has created a new Lao who has revolutionary compassion for every oppressed, exploited nation, for example, the Thai people and workers, whose fate was caused by the mistakes throughout history of the Thai ruling class.

It would be good if both sides of the Mekong helped bring about a good atmosphere for the happiness and peace of the people of the two countries.

The Lao side has always had good intentions like these and has worked for conditions which would promote good relations between the two banks. An important example of these intentions was /shown after/ the Thai seizure of the three Lao villages. Even though the /Lao/ side suffered the loss and was invaded, nevertheless, /the Lao side/ was patient and sent a committee of representatives to talk with the Thai invaders in Bangkok twice.

Lao-Thai relations now as in the past are less than pleasant. The Thai reactionaries are the cause and are totally responsible.

To improve relations between Laos and Thailand the Thai side need only follow the provisions of the two treaties between Laos and Thailand which were signed in 1979.

But in the present urgent situation the Thai reactionaries must withdraw their invasion forces from the area of the three villages completely, must return completely the Lao inhabitants of the three villages whom they took away, and /must/ compensate for all the damage done to the people of the three villages.

If /they/ do this the atmosphere of Lao-Thai relations will definitely be more pleasant. /As for/ the intention of the Thai reactionaries to have the Lao give up their independence and nation to them, it is safe to say that the good Lao want them to stop thinking about it.

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CSO: 4206/32

WRITER ON ETHNICITY, NATIONALITY OF NORTHEAST THAILAND

Vientiane VANNASIN in Lao Oct 84 pp 6-8

/Article: "The Left Bank"/

/Text/ Every nation and language in the world is small or large depending on the desire of its adherents for rights and independence. Even if in some cases historical imperatives compel or bring some nationalities to break off and become separate nations or bring a number of ethnic groups to combine into one nation, this does not mean that the rights of nationalities and ethnic groups such as the right to maintain and increase their uniqueness, culture, and the objectives of their nationalities and ethnic groups have to be given up.

The problems of nations, nationalities and ethnic groups can be justly decided and the rights mentioned above can be assured only with the principles of socialism. Our party is a true Marxist-Leninist party; it is very equitable and free of narrow nationalism or ai-yai /hegemony/. This is because it holds fast to the internationalist principles of the proletariat under the well-known Marxist-Leninist slogan which states that: "the proletariat and the oppressed nations of the world should unite." This means that under socialism conflicts between nations, between nationalities and ethnic groups, as well as between countries do not exist. /Socialism/ solves the conflicts between opposing classes in society, that is, between the oppressor class and the oppressed class. Only socialism is able to solve the problem of nations, nationalities, and ethnic groups naturally in keeping with historical truth and respond completely to the just aspirations of working people of various nations and ethnic groups.

The expression, "if you are khonisan /a person from northeastern Thailand/ you are Lao...", which comes from a Thai periodical, is brought to the reader's attention now not because it represents narrow nationalism but because it shows the central problem of the pan-Thai doctrine (pan-Siamism) which the Thai right-wing reactionary power holders have been practicing for some time. This affects the interests and peace of neighboring countries, primarily Laos. In past history this influence has caused immeasurable destruction and harm to the Lao nation, and now it is still a threat to our safety. The incident when soldiers of the Thai reactionary right-wing power holders advanced and captured three Lao villages, in addition to being consistent with the course of action of the Beijing great power expansionists and their subordinates in

the narrow-minded obstruction and destruction of the revolution of the three nations of Indo-China, is also consistent with the evil designs of the expansionists of the Siam group known by the title, "pan-Thai doctrine" or "pan-thaism."

In this oppressive, exploitative system the basic rights of the Thai people and workers are being heartlessly and savagely cut to pieces by all groups of the Thai right-wing power holders and by the capitalists, who are primarily Chinese businessmen. They have direct and indirect methods such as exploiting heng-ngan sot /unskilled labor/ and social and spiritual boua mao /corruption/. The Lao people would describe it as "kick them and then pat them on the back." Pat them on the back so that when you kick them they will not mind but will laugh at their slavery and venerate slavery. This means that the pan-Thai doctrine affects not only the interests of the neighboring countries but also is a calculated means to exploit the Thai common people. Here we will not stop considering the oppression, exploitation, and filth of Thai society but would like to talk about the affect of the pan-Thai doctrine on Thai society and the interests of neighboring countries.

In previous articles we gave our opinion about the meaning of the word, Thai. That group called "professors," who are the opponents of scientific principles and the accomplices of the pan-Thai doctrine, got an idea, grabbed the ink, and changed the word Thai /1/ /Lao spelling/ to the word Thai /2/ /Thai spelling/ to give it the aura of a word from Pali or Sanscrit, which was the language of Buddha, so it would seem as if Buddha had created /the word/ making it something holy which everyone should respect and honor and giving it the additional supernatural meaning, "luminous" or "free." After they had created this thesis, they struck gongs and beat drums to announce that: "Thai means free." Therefore, we are all free. After the sound of the gongs had died down, the sound of clapping from the proponents of the /pan-Thai/ doctrine grew...another group... was silent. Both groups surely had "plenty of" freedom. The first group surely had the freedom to "oppress, cheat, and kick." The other group had the freedom to remain silent--they had to remain silent because they were afraid to disturb this great freedom and the honor of the country. They were also silent because if you insist on this freedom, it will be trampled on. /insert/ This is the real meaning of the phrase "Thai /2/ means free."

Translation: "What does Isan mean? Is it the name of individuals or an ethnic group? Is it autonomous or dependent or a region? Everyone agrees that Isan is a region of Thailand with a large population. The question is: is Isan the nationality of these people or is Isan the name of their ethnic group. We must in truth and fairness accept history, and surely the people living in Phakisan /Isan region/ are not Isan people but are comprised of many ethnic groups or groups of people such as the Lao Phouan, the Phu Thai, the Yo, the Souai, the Khmer, the Kaleung, etc.

In any case the people of Phakisan generally call themselves Lao. In the entire Mekong Valley on both sides /the people/ are called Lao now. /Their/ history indicates that they are generally Lao. The people in Laos call themselves Lao; they have never called themselves Isan. If you do not believe this, go look for the Isan in Laos.

It is worth considering why most people coming from Laos become Isan when they reach the Thai shore. What does Isan mean? Some people have gotten a meaning out of Sanscrit: Isan means "great" or "Siva." Let us agree that "great" is just "great" and "Siva" is just "Siva."

In my opinion we have been studying the wrong subject from the beginning. The ethnic groups which live on both sides of the Mekong River, even though they are different nationalities, are related in culture, language, and religion and are difficult to separate. It is clear that whoever is Isan is also Lao because Isan and Lao are the same people. If we look closely at history, the word Isan first appears officially when Thailand divided its administration according to provincial capitals; they called the Lao located in the Mekong Valley the Lao of Isan Province. They were influenced by the compass points. The eight compass points are: udon /north/, isan /northeast/, bulapha /east/, akhane /southeast/, thakkin /south/, holadi /southwest/, patsin /west/, and pha-nyap /northwest/. The government at that time named the Lao in the Mekong Valley deliberately in order that the past be forgotten and to make the Isan think that they were not Lao but Isan. Later the word Isan came to be the name of all ethnic groups living in the northeast. At present the government calls the Isan the people of the northeast so that they will forget their humiliation in the past completely. Since the Isan are considered Lao, they can accept their former Lao culture of which there is a great deal.

Our fellows /Lao/ among the Thai people have had their rights destroyed so that they do not know their nationality and ethnic group, which is a basic human right. If it is like this how will our fellow /Lao/ be able to enjoy other more important rights in Thailand? In an article by Jerry Kenton printed in VANNASIN, issue 58, one is able to see the real Thailand and the extent to which it is immoral and degraded and to what extent the people are deceived by and caught up in the pan-Thai doctrine. "Thai /2/ means free--the country of the Thai /2/ is the country of gold--Lao comes from Lawa and means barbarian--the Thai people in Nanchao called themselves Lao--the Thai people in Laos called themselves Lao--there are Thai people in Vietnam--the Isan speak Isan--Lap is a Thai /2/ dish of the northeast--the khene is an old Thai /2/ musical instrument--the Thai /2/ in Laos speak old Thai /2/ etc...hundreds and thousands of different things." All this is just talk to incite foolish ambitions and nationalistic and ideological frenzy in order to hide the barbarity of the oppression and the destruction of basic rights suffered by the people and various ethnic groups in Thailand. It makes them careless and forgetful of the exploitation of the oppressing class, which is the primary enemy. /This class/ is an evil spirit waiting to draw out the flesh of the people and workers of Thailand, and it is the main villain in the tragedy of Thai society now.

They are using the word, Thai /1/, which means person or people, as a placard for their expansionist philosophy while at the same time belittling and criticizing the Lao nation and renouncing Lao culture, uniqueness, literature, and language in order to eradicate the word Lao as if it were irrelevant. This means that everything will have to become Thai /2/. The fate of the Lao on the right bank of the Mekong is clear; they will change or try to change the uniqueness of being Lao in all aspects of life and drive out the dress, language, eating habits, and customs. They will have to destroy all traces of

Lao uniqueness and change it to something Thai /2/. The one thing which sticks in the throats of the devotees of this philosophy is the existence of Laos, which they cannot call anything else or change. Nevertheless, when they talk about history, they deny the existence of the countries of Lan Xang, Xieng Dong, and Xieng Thong, which were independent countries before the time of Sukhothai, which was the starting point of Thai /2/ history. The theory that the country of Lan Xang was a period of greatness and that there was a continuous history from then until the present is denied. The true establishment of this country is being masked by the territory of Sukhothai, Ayuthaya, and later Siam as you can see by the maps:

/captions/ /1/ Siam in the 17th century was confined to the plain of the Chaophrya River--/shows/ Lalube

/2/ Map of Ayuthaya (Siam) in the 17th century which the Thai use.

/3/ Siam in the 17th century with Lalube shown almost correctly according to the parallels /latitutte and longitude/.

For this reason it did not seem strange when we met a Thai lady at a meeting in India 3 or 4 years ago and she exclaimed: "Ah! You are from Luang Prabang in old Thailand. If only the French had not come and snatched you away!"

There was another group of four or five men. When we talked, almost all spoke Lao. But one doctor spoke Thai Siamese. Another doctor reproached him, saying: "Don't you speak Lao? Have you abandoned the heritage of your ancestors...."

And it also did not seem strange when the right-wing reactionaries running Thailand yelled that, "Sayaboury Province is Thai territory," after they had seized the three Lao villages. It did not seem strange that the right-wing reactionaries running Thailand hope that the seizure of the three villages, which had been Lao for so long, is the first step in reaching their objective of rejecting the borders between Laos and Thailand recognized by present law and changing that border according to the aspirations of their pan-Siam doctrine.

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CSO: 4206/24

SRV PUBLIC HEALTH ASSISTANCE

Vientiane SATHALANASOUK /PUBLIC HEALTH/ in Lao, No 4, 1983 p 7

/Article: "Cooperation and Assistance"/

/Text/ Public health cooperation and assistance has created ties of solidarity and mutual assistance for a long time both in war and peace. These ties have a continuing role in the cooperation between the Socialist Republic of Vietnam and the Lao People's Democratic Republic relative to the important problems of protecting health, protecting the nation, maintaining peace and building socialism. These are principles for /our/ era which can not be broken. In the three nations of Indo-China the various areas, climates, rivers, diseases and parasites are similar. In addition, they have suffered the same fate; the same foreign enemies invaded them, and they received the same repression, difficulties and distress for many decades.

The three nations, Laos, Vietnam and Kampuchea, joined forces in solidarity, attacked and drove all the invading reactionaries from their nations. Public health work is an important factor in maintaining health, fighting disease, and caring for war wounds. There is no time to lose in building and expanding the public health network. It will push on the three cleans sanitation drive to wipe out disease at the same time. And in peace time it will maintain the benefits of the revolution and so build socialism. In serving the ideals of public health and the three cleans as mentioned we all have an important role and must work together and assist each other to expand the public health network and push on with the three cleans sanitation drive to destroy and mop up disease. /Our/ society strives to improve steadily the standard of living of the multiethnic people.

A short time ago Professor Nguyen Thanh Om, the deputy minister of public health for the Socialist Republic of Vietnam, together with a committee came on a goodwill visit at the invitation of the Ministry of Public Health of the Lao People's Democratic Republic. The /visit/ lasted 10 days and served to expand cooperation in public health work under the treaty signed on 3 February 1977 in /their/ capital of Hanoi and various agreements signed in Vientiane. During the visit the public health committees of both sides met for discussions and an exchange of ideas which served to let them survey the activities of the various branches as well as mutual assistance in 1983. During the visit the committee went to pay its respects to Mr Phoumi Vongvichit, a Party Central

Committee member in the Political Affairs Department and deputy chairman of the Council of Ministers of the Lao People's Democratic Republic. The committee of representatives also went to pay its respects to Dr Khamliang Phonsean, the minister of public health of the Lao People's Democratic Republic. The guests and the hosts also talked about cultural and public health affairs, mobilizing effective assistance, and the work of the various branches in the future; the spirit was friendly and intimate from beginning to end and both sides were satisfied about every question which had been covered, and will work together in the future. The committees of representatives also went to visit: institutions, schools, hospitals, and ancient relics in Vientiane. In addition, the committee visited Luang Prabang Province and were well received by the cadres, doctors, and people. They went to pay their respects to Mr Vongphet Saiti, a Party Central Committee member and party secretary of Luang Prabang Province. The guests and the secretary discussed cultural and public health questions current and future and the question of friendly relations in every area between Ha Son Binh Province in the Socialist Republic of Vietnam and Luang Prabang Province. In public health there are many areas of cooperation: prevention, caring for the sick, expanding disease eradication to a basic level, medicine production, and domestic medicine, etc. The committee also visited the public health service, hospitals, various branches, the middle level medical school, the hospital of Xieng Ngeun District and went to see factories, temples, the numerous ancient relics, and the beautiful craftsmanship in priceless art of Luang Prabang. They also exchanged ideas for expanding the public health network, preventing disease, caring for the sick, wiping out disease, producing medicine, and training cadres for the various facilities. Each facility which the committee visited greeted the instructors in a beautiful way. The fraternal cadres met face to face with incomparable joy. For the entire visit Mr Phenpheng Siya, the deputy minister of public health of the Lao People's Democratic Republic, was their guide. Then they returned to the capital, Vientiane, before their return to the Socialist Republic of Vietnam. The committee of representatives gathered together according to the plan for cooperation in public health of 1983. The committee of representatives from the Socialist Republic of Vietnam was headed by Deputy Minister Nguyen Thanh Om. /The group/ from the Lao People's Democratic Republic provided the guide, Mr Phenpheng Siya, deputy minister of public health; /this group/ included Dr Khamliang Phonsena, the minister of public health, Mr Nguyen Suan, the ambassador of the Socialist Republic of Vietnam to the Lao People's Democratic Republic, and a number of cadres who have close ties with every branch of public health. In addition to the two ministries the two countries are also increasing their special ties of cooperation every day.

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CSO: 4206/24

LAO DEPUTY MINISTERS ARRESTED FOR TAKING BRIBE

BK081018 Bangkok SIAM RAT in Thai 7 Dec 84 p 11

[Text] According to a report from business circles, Sangvian Thinnakon, representative of the Metro Equipment Company Limited, was arrested by Lao authorities on 13 November on a charge of bribing state officials. Later, Deputy Minister of Finance Oudon Phonsena was also arrested on a charge of corruption and expropriating state property and Deputy Minister of Trade Chanpheng Bounnaphon for his involvement in Sangvian's case. Chanpheng had earlier been appointed chairman of a committee to investigate the purchase of the Caterpillar tractors from the company but failed to report the truth to the prime minister's office.

The report said that Dr (Bounphet), director general of the Foreign Exchange Department, has managed to escape arrest by fleeing the country to Nong Khai Province.

The bidding for the purchase of the tractors, which led to the arrest of the two Lao ministers, was in 1982, and the tractors were shipped to Savannakhet Province in early 1983. The purchase was made under an Asian Development Bank loan project. The company reportedly sold used tractors to Laos.

CSO: 4207/65

BORDER DISPUTE COMMENTARIES, CRITICISM OF THAI GOVERNMENT

'Letter' to Thai People

Vientiane PASASON in Lao 19 Oct 84 pp 1, 2, 3

/Article: "'Letter' From the People in the Three Disputed Cantons to the Thai People." A shorter English version of this item appeared in FBIS Asia and Pacific Daily Report on 22 Oct 84/

/Text/ Thong District, 15 October 1984

From: the people in the three disputed cantons, Ban Det, Ban Gnai, and Ban Mai

To: the dear Thai people who love peace, friendship, and good neighborliness and who have been good relatives of the Lao people since ancient times

As you already well know, since 6 June 1984 the Thai ultrarightist reactionaries in carrying out the order of Gen Athit Kamlang-ek shamelessly and openly invaded and occupied the three Lao villages of Ban Mai, Ban Kang, and Ban Savang in Ban Mai Canton, Paklai District, Sayaboury Province, and have been occupying them for over 4 months. This is illegal and a violation of Lao sovereignty and integrity, and a direct trampling on Thai-Lao friendship.

As all Thai clearly know, these three villages are located in and belong to Laos, according to the border agreement signed by the French and Siamese (Thai) in 1907. The Lao and Thai have accepted and have implemented it peacefully for almost 80 years. The people in the three villages are all Lao. They are registered in Lao organizations, speak the Lao language, and follow the excellent Lao customs. However, the Thai have shamelessly claimed with no evidence that the three villages belong to Thailand.

These words and actions demonstrated the true nature of the invasion and the expansion of /pan-Thaism/. It was propaganda of the Thai ultrarightist reactionaries to deceive the Thai people who are moral and just to believe in their words, and a threat to so sovereignty and integrity.

The Thai and Lao peoples have always believed in fraternal neighborliness since ancient times, but because of the /invaders'/ cruelty and their behavior as loyal henchment of the Chiense expansionists they have never listened to the warnings of the Thai and Laos peoples and the opinions of the peace-loving peoples all over the world.

As the Thai-Lao joint announcement also clearly stated, /it/ would make the entire Thai-Lao border (including the Mekong River and the land) a border of peace and friendship based on respect for the independence, sovereignty, integrity, and legal interests of each other. This is the main theme of our two fraternal neighborly countries.

Following the two previous talks with the good intentions of the Lao side, the extortionists on the Thai side revealed that "they did not work." This was because of the Thai side's insincerity and their intention to forever occupy the three o villages. That is why they unilaterally announced the talks. Although the Thai ultrarightist reactionaries invaded, threatened, and took the Lao people by force, destroyed the Lao culture, used artillery to fire at and destroy the Lao people's houses, and committed many crimes against the Lao in the three villages, the Lao People's Army /LPA/ has not yet shown any intent to exercise its legal right to protect the three villages. We have also endeavored not to intensify /the situation/ by using force. This does not imply weakness or fear on the part of the LPA. On the contrary, it means keeping its good intentions and humanity for the sake of the rights, interests, life, and property of the majority of the Lao and Thai peoples who /do not commit crimes/, and also to maintain the fraternal neighborly relations and friendship. It is also a strict carrying out of the Lao-Thai joint announcement signed by the prime ministers of both sides in 1979. The LPA's spirit of humanity is correct and in agreement with the wishes of the Lao and Thai peoples because they have never wished to become slaves of war and have always desired to live in peace.

Since 2 October 1984 the government of the Kingdom of Thailand has announced the withdrawal of the Thai military officers from the three Lao villages they have been occupying. Concerning this order preparations to withdraw their forces from the three villages were seen. However, their basic scheme to dismantle Laos has not changed. Even worse, they took a great many Lao people in the three villages to a clearing for horse riding using the excuse they were "Taking these people to Thai territory first because they were afraid of being fired upon by the Lao."

Dear Thai people, in order to strictly adhere to the announcement of the government of the Kingdom of Thailand and also to realize the wishes of the Lao and Thai peoples for everyone who wants to live in true peace and happiness, you all should together press and demand the Thai reactionary troops to withdraw their forces from Lao and totally and immediately, and also fight to make this area an area of peace. You should strongly oppose /them/ and not let your children become soldiers and die for them, and absolutely ban the Thai ultrarightist reactionaries from threatening Laos with any kinds of weapons, including firing at Lao people's houses.

We hope that the Thai people will understand and cooperate with the Lao people to stop all the evil actions of the Thai ultrarightist reactionary troops. You should also determinedly work with the Lao people to improve relations and fraternal neighborliness between our two countries as it was before 6 June 1984. Love, from the people in Ban Mai, Ban Det, and Ban Gnai Cantons.

Kidnapping of Villagers Noted

Vientiane PASASON in Lao 19 Oct 84 p 4

/Commentary Column: "The Thai Ultrarightist Reactionaries Must Immediately Return the People in the Three Villages Who Were Taken by Force"/

/Text/ By taking lessons and encouragement from the Chinese expansionists and hegemonists, the Thai ultrarightist reactionaries used their troops to seize the three Lao villages of Ban Mai, Ban Kang, and Ban Savang in Paklai District, Sayaboury Province. Over the past 4 months since 6 June 1984 the Thai ultrarightist reactionaries were defeated in every way from illegally carrying out their dark scheme in the occupation of these three villages.

As we all well know, after the false statements of Mr Sitthi Sawetsila, the Thai foreign minister, to the General Assembly of the United Nations on 2 October in which he said, they would withdraw their troops from the three villages, the Thai ultrarightist reactionaries have not yet withdrawn their troops but only repositioned their forces and moved them around. Meanwhile, they feverishly took many people by force from the three Lao villages to Thai territory. These cruel and savage acts by the Thai reactionaries were similar to the great crimes of the Siamese rulers toward Laos 200 years ago when they took tens of thousands of Lao people to Thailand in order to make them serve as slaves in Bangkok. The current acts of the Thai reactionaries towards the people in the Lao villages follow the lessons of the Beijing reactionaries who previously used these lessons when they were defeated in Vietnam in 1979. The Beijing reactionaries took many Vietnamese people by force to China. This is also what they taught to Pol Pot's genocidal clique because after the Kampuchean people rose up and overthrew them the Pol Pot clique and its henchmen took Kampuchean people by force from their homeland to Thai territory. The reason why the Thai troops have not withdrawn from the three Lao villages and have moved their /outposts/ around within the three villages is to continue to destroy and take Lao people to Thailand by force. This clearly demonstrates that the Thai ultrarightist reactionaries have not yet stopped their dark schemes toward the three Lao villages. They have also new schemes for the three villages, in particular, and for the LPDR. The schemes are the same ones that the Beijing reactionaries used on the SRV and the same schemes the Pol Pot clique is using now in regard to the PRK. The reason that Thai reactionaries took Lao people from the three villages by force to Thailand is to serve their war of aggression against the Lao people and the Lao revolution. The great crimes the Thai reactionaries are committing have caused great hatred among the Lao people of ethnic groups.

The Lao people are concerned about the Lao who were taken to Thailand by the Thai ultrarightist reactionaries. We hope that the Lao people in the three villages who were taken by force will resist all the inhuman acts of the Thai reactionaries in order to return to their beloved and cherished country. We wholeheartedly admire many families, e.g., the families of Mr Xiengmouan, Mr Sengchan, etc. who safely sneaked back to their hometown. The party, the government, and the Lao people nationwide will quickly help these families who returned home to make a normal living on our fertile land.

We believe that all of the people who were abducted miss their sacred homeland and will determinedly unite themselves to help each other and to fight against the Thai ultrarightist reactionaries and demand their quick return. The Lao people ask the Thai people who have excellent fraternal relations with Laos and the advanced and -ustice-loving nations throughout the world to condemn this new crime of the Thai reactionaries against the LPDR, demand that they totally and unconditionally withdraw the Thai troops from the three Lao villages, immediately return the Lao people who were taken by force, compensate for the lives and property of the people in the three villages, and stop carrying out their animosity towards the LPDR in order to solve the problem peacefully and to normalize Lao-Thai relations.

'Artist' Notes Thai Threat

Vientiane PASASON in Lao 1 Nov 84 pp 1, 3

/Article: "Nothing Has Changed in the Thai Reactionaries' Schemes"; a shorter English version of this item appears in FBIS Asia and Pacific Daily Report 5 Nov 84 p 12/

/Text/ Although the Thai reactionaries have been painfully and shamefully defeated at each step they have never stopped their basic schemes which are to challenge, provoke, invade, and take Lao land little by little, and advance to where they can occupy Laos according to the dark plan of /pan-Thaism/ that started a long time ago. At the present time, however, especially since the day the LPDR was established, the /proponents of pan-Thaism/ have been collaborating with the Chinese expansionists and hegemonists to destroy the excellent fraternal neighborliness between the Lao and Thai peoples and the contents of the Lao-Thai joint announcement, and to dismantle and stop the Lao revolution and the establishment of the LPDR. There was 1 day, 3 December 1975, when the Thai Interior Minister said with hatred, "The change in Laos is an important sign for further danger." Beginning with this /statement/, the Thai power-holding clique has changed its schemes in carrying out policies against the three nations in Indochina, e.g., the LPDR, by working in close cooperation with the activities of the Lao reactionary exiles. The Thai reactionaries have increased their provocation by allowing planes and warships in Laos, letting military units occupy Sangki Island of Laos on 9 April 1977, Don Tam Island on 17 April 1977, and Don Singsu Island on 26 April 1977. It was even worse on 4 June 1977 when the Thai power-holding reactionaries /ordered/ their soldiers to fire many rounds of 12.7 mm guns at Vientiane Capital. Along such military destruction they also moved to dismantle the LPDR economy and other aspects. For example, at the end of May and early June 1976 Thailand poured a billion kip into wiping out goods in Lao cities that had just been liberated in order to block off and weaken the new Lao regime. As the French news service AFP in Bangkok said on 4 October 1976, "The Thai power-holding clique will blockade Laos, dismantle and weaken Laos, and create unrest." Moreover, the most dangerous thing not only against Laos but all countries in Southeast Asia is that the Thai power-holding clique has been collaborating with the Chinese expansionists and hegemonists, and is willing to sell Thailand to the Beijing reactionaries to be used in carrying out the expansionism and hegemonism of China on down to

Southeast Asia. As the BANGKOK POST said on 16 April 1978: "Thailand has become the most significant place and center for Chinese interests. China considers Thailand as a key to Southeast Asia just as Japan considered Thailand in World War II."

Although the tricks and actions of the Thai ultrarightist reactionaries who have been collaborating with the Beijing reactionaries against the LPDR as mentioned above were defeated and exposed in a timely manner, and were also condemned by the Thai people and advanced people worldwide, they do not want to stop the dark schemes of /pan-Thaism/ in the war of aggression to swallow Laos. On 6 June 1984 the Thai ultrarightist reactionaries backed by the Beijing reactionaries, led by Gen Athit Kamlang-ek, the supreme commander and the RTA commander, ordered the Thai troops to encroach upon and occupy the three Lao villages of Ban Mai, Ban Kang, and Ban Savang in Paklai District, Sayaboury Province. Although they have now moved their forces out of the three Lao villages, nothing has changed in their basic scheme of destroying our country. Their only aim is to stop the opposition and condemnation by the Thai people and to deceive world opinion in order to obtain support from other countries so they can obtain a seat on the United Nations Security Council. In fact, they also claimed that the three Lao villages belong to Thailand and are under Thai sovereignty, and that Thailand still reserves the right to these three villages. This means that Thailand has not accepted Lao sovereignty in the three-village area. What is worse is that they also took almost all of the Lao people in these three villages to Thailand. Now there are tensions in the area. They sent forces to various places along the border which had never occurred before. They continue to build a road along the border to serve in their war of aggression. Another thing is that they gathered the Lao reactionary exiles, supported them and sent them into the area to carry out destructive activities. There is no peace in other places in Sayaboury and other provinces. This creates problems and obstacles for the Lao people in their construction of socialism.

All this clearly indicates that the Thai ultrarightist reactionaries who are being supported by the Chinese expansionists and hegemonists have not yet changed any of their schemes to swallow up Laos according to the dark plan of /pan-Thaism/ of those who desire the expansion and occupation of neighboring countries, and create tensions and threats to peace in Southeast Asia and in the world. The Lao and Thai and peace and justice-loving nations in the area cannot ignore it; instead, they are prepared to resolutely fight against and defeat all the schemes of the Thai ultrarightist reactionaries who are backed by the Beijing reactionaries in order to maintain peace and stability in the area, to encourage the just struggle in defending their independence and integrity, to demand that the Thai power-holding clique withdraw its Thai troops totally and unconditionally from the three villages and to return the Lao people who were kidnapped to their homes immediately, to compensate for the damages they did to the people in the three villages, and to stop their animosity toward the LPDR for the peaceful solution to the problem of the three villages.

'Talk' Pillories Athit

Vientiane PASASON in Lao 1 Nov 84 p 3

["Talking Together" Column by Khoutkham: "Athit Kamlang-ek's Schemes"]

[Text] Lately it seems that almost every day Gen Athit Kamlang-ek has been participating in various religious festivals giving speeches in order to make himself known as one who is moral and who believes in the Buddha's teachings. He tries to put on shirts with the sign of the Buddha's statue in order to campaign for support from Buddhists. This has only served to mar the Buddhism of the Thai people because Gen Athit Kamlang-ek's heart is filled with cruelty and savagery that is against the teaching of the Buddha who is respected by the Thai people. He has committed many crimes. He has destroyed the fraternal friendship and solidarity of the Lao and Thai peoples that has existed since ancient times. When Athit wanted the land of another country he adopted a fake plan and then shamelessly ordered troops to take over as if there were no laws in the world about borders. For example, on 6 June /1984/ Athit ordered many battalions to encroach on and occupy the three Lao villages in Sayaboury Province. It can be said that he is the one who applies Chinese hegemonism and expansionism in Thailand after just finishing a course of strategy in a war of aggression given by Beijing. This brand new strategy of a war of aggression is not at all complicated. Whenever he wants the land of any nation he just draws the map for that land as he pleases and then orders his troops to seize it. As an easy way not to let the world criticize him he might make up a comedy that another nation had seized his land first and then he ordered his troops to protect it, as Gen Athit Kamlang-ek is doing in the LPDR. First he thought that Laos was only a small country and he could do whatever he wished to it, but it was not what he thought because Laos was "a small hot pepper." In only 4 months the Lao people were able to dismantle the Chinese theory that Athit Kamlang-ek had applied. However, because of his evil nature, even though he has been hit on the head many times with a hammer and was condemned many times by the peace-loving peoples of the world for the invasion, Athit Kamlang-ek still pleaded that the three villages belonged to Thailand. However, his primary claim was the fake map which as usual had no legal value. This made the world laugh at him, because if we were to follow this theory the world would not be as it is. But why does Athit Kamlang-ek still dare to use this unreasonable theory? Now his cruel and evil face has been openly and clearly revealed to the Thai people and to the peoples of the world, and this has made his desire for higher position fade away. Consequently, Athit Kamlang-ek recently has temporarily held off his appearances in religious circles. He has found a new way which was to fly across the big ocean for consultation and support from the United States, using false propaganda to support his purchasing weapons from the United States by saying there was a threat from Vietnam, a military threat from the Soviet Union in Danang, etc. This means that Athit Kamlang-ek is now looking for weapons to commit serious crimes against the people in the neighboring countries. However, all of the aggressive war plans of the wicked person who used to show himself kind-faced will be properly punished by the Thai people and by the peace-loving peoples of the world.

OFFICIAL PRESS CLAIMS ON BORDER IN SAYABOURY

Paklai Official on Geographical Features

Vientiane PASASON in Lao 15 Nov 84 p 3

/Article by Ph Sinpaseut: "Ruling System Clearly Confirms That the Three Villages Belong to Laos"/

/Text/ Comrade Xiengkhoum Phetkhammai, a Paklai District and Ban Mai Committee member who is now of advanced age, remembers the time when Ban Gnai was previously named Meuang Thong Canton and Mr Noi Oudom was appointed to Ban Det Canton in which at that time there were seven villages: Ban Namon, Ban Nahai, Ban Napeuy, Ban Mai, Ban Savang, Ban Nafai, and Ban Det-Namuang.

Ban Gnai Canton had six villages: Ban Khen, Ban That, Ban Dan, Ban Gnai, Ban Nam Phoun, and Ban Don. After being completely liberated in 1975 the Sayaboury Provincial Committee and primarily the Paklai District Administrative Committee divided these two cantons into three cantons for the purpose of protecting the people, and their economy and society, and redistributed the villages as follows: Ban Gnai Canton has five: Ban Don, Ban Nam Phoun, Ban Gnai, Ban That, and Ban Dan; Ban Mai Canton has five: Ban Mai, Ban Kang, Ban Savang, Ban Nafai, and Ban Khen. Ban Det Canton has six: Ban Det, Ban Namuang, Ban Na Peuy, Ban Na Mok, Ban Na Mon, and Ban Na Hai.

The road past the three cantons starts from Ban Det, passes Ban Nafai to Ban Mai, Ban Kang, and Ban Savang, then goes to Ban Mai Noi, Ban Mai Gnai, Ban Nam Phoun, and Ban Don, and returns to Ban Det. It was only a path for people to walk on and for elephant transport, but it was like stars whose orbits never changed. They were /reddish/ webs connecting each other and have been under a single rule since ancient times. Their spoken language is the same, with no Thai accent mixed in. According to the people there, this is the same language used by the people in Bo Beuy and in Nam Pat. Before this there was no Thai in Ban Bo Beuy. At the outskirts of Ban Kang the Thai reactionaries who have occupied the three Lao villages set up a Thai language school and poured a large number of Thai documents into the Lao villages hoping to wipe out the Lao language, but over the 4-month period they could not forget the Lao alphabet. A lot of commentary and Lao official papers along with textbooks for Lao children still remain in the people's houses. The sign for Wat Ban Mai Buddhist Temple, although it was just repaired not long ago, is clearly not written in

the Thai alphabet but with Lao letters. It says, "Wat Khou Bounmi, Ban Mai, was built in the 12th year, the Year of the Pig, 8th day of the waxing moon Saturday, 4 April (4) BE 2514 or 1971, (signed, the Abbot Pha Samrong Thongsavan).

The terms Lao land and Lao people in Ban Mai, Ban Kang, and Ban Savang are historical facts, and they have been under Laos for a long time. The evidence including Thai maps and the Thai people and politicians who know about this all indicates that these villages belong to Laos. This matter is also accepted internationally. All these will judge and punish the Thai ultrarightist reactionaries led by Athit Kamlang-ek. They are war-thrifty individuals who do not want the Thai and Lao and the peoples in the neighboring countries of Thailand to live in peace.

Thai 'Provocations'

Vientiane PASASON in Lao 13 Nov 84 p 2

[Article by Ph Sinpaseut: "Unintentional Risk, Unavoidable Defeat"]

[Text] As soon as the road construction company had stopped for a short time, the Thai ultrarightist military immediately announced, "If the company does not continue the construction, we will use the Thahan Phran Irregulars to do it." In April 1984 they brought over 80 Thahan Phran Irregulars in to build places for themselves in Ban Bo Beuy first. This was the beginning of the shameless risk in order to resist the LPDR.

At the beginning the people were still able to communicate with each other. Later on the movement began to get more serious day by day. They not only ignored the legal warning on the sign at the gate at the Mekong River entrance in Ban Bo Beuy that said, "Thai territory will end within 100 meters. We will fight here, right here, until we die," but they also came in to cause provocation on Lao territory. They used spyplanes to fly over Lao air space and regularly threatened and encircled by force. On 15 May 1984 the Thai Thahan Phran Irregulars moved its forces 300 meters deep into Lao territory and were dispersed by the Ban Mai Canton guerrilla unit and regional force. That was the clash with the first group of /Thahan Phran Irregulars/. We did not expect that those credulous people would be insane enough to come to die any more, but 9 days later on 24 May 1984 Thahan Phran Irregulars intruded another 500 meters onto Lao territory. There were more in this group than in the first one totalling one company. However, they were dispersed and returned to Thailand by the guerrilla unit and the regional forces of the three villages. On 26 May they intruded into Lao territory again and were forced to retrace in the same way.

On seeing how the Thahan Phran Irregulars were defeated on 27 May they used four planes to transport the /Thahan Seuam Dam/ to replace the Thahan Phran Irregulars. They finished transporting soldiers on the same day. It was very calm on 29 and 30 May and on 1, 2, and 3 June before they intruded into Laos. On 4 June their spyplanes flew over Lao air space to Ban Gnai which is approximately 10 km from the three villages. On 5 June they used two helicopters to fly into Ban Gnai. On the morning of 6 June 1984 when it happened to rain hard,

over 2,000 Thai soldiers occupied the three Lao villages at 6 o'clock in the morning. Our guerrillas and regional forces had only about 20 people and withdrew to Ban Gnai, reaching Ban Gnai at 7:20 am.

After seizing all of Ban Mai, Ban Kang, and Ban Savang they ordered more Thahan Phran Irregulars in and also sent /messages/ saying, "We would like to invite the three cantons in Meuang Thong for a meeting in Ban Bo Beuy in order to build up our friendship." After receiving the /messages/ we called an extraordinary meeting of the three cantons and unanimously agreed not to let anyone go to the meeting and not to answer any letter at all because it was only deception.

After 4 months they could neither eat nor sleep, their men gradually died, and those who lived were suffering. Some of them got malaria, some got leprosy, and there were also critical voices within Thailand itself and in the world that strongly opposed and condemned /them/. And the Thai soldiers who were forced to seize the three Lao villages were themselves forced to return home. Therefore, when they could no longer continue they had to shamefully withdraw the Thai troops. Major Arun, chief of Ban Kok Subdistrict, announced to the people in the three villages on 9 October 1984 that, "This land is no longer our land, it has become Lao land."

Justice Minister Comments

Vientiane PASASON in Lao 13 Nov 84 p 2

/Commentary: Justice Minister Mr Kou Souvannamethi's Comments on the Issue of the Three Lao Villages That Were Trampled on by the Thai Ultrarightist Reactionaries"/

/Text/ The Lao and Thai peoples used to have a heritage of being loving and neighborly countries since ancient times. Both sides have the same customs, and we understand each other because the Thai and Lao spoken languages and alphabets are similar. Many scholars and researchers think that the Thai alphabet was copied from the old Lao alphabet. Speaking specifically of the people of both countries along both sides of the Mekong River, relations between them are special because in some families /older/ brothers are on the Thai side and younger ones are on the Lao side, or fathers are here and their children are there. The people of these two nations used to go back and forth to see each other, and they used to help and love each other since ancient times. It is regrettable that the Thai ultrarightist reactionaries before and now have disgraced Lao-Thai relations. This is because of the bellicose policies and the pan-Thaism of the Siamese feudalists and military dictators in Bangkok from 1878 to 1893. The Siamese feudalists savagely invaded Laos and made Lan Sang their colony for 115 years. The present northeast region of Thailand that has over 20 million people was the land they took by force and separated it from Laos. The reason I recall this part of history is not that I intend to demand that they return the northeast region, but only to point out that the Thai ultrarightist reactionaries have never stopped their schemes to completely swallow up our Laos, even though there are only 3 million people left by continuing to expand their territory and pan-Thaism. They are trying to make the

Thai people enemies of the Lao people. However, they have miscalculated and have been shamefully defeated many times. This is because both the Lao and Thai peoples have no desire other than to live peacefully and to effectively help each other.

The continuation of the unrest in Ban Mai, Ban Kang, and Ban Savang areas by the Thai ultrarightist reactionaries is part of their dark schemes that I have already mentioned. Their act is another crime, and it will not be the past one because according to the nature of the imperialists and the /powerful international reactionary/ henchmen they will never admit the truth. They only stubbornly and continually commit crimes regardless of the day, the hour, and even the minute. If they cannot commit a big one they will commit a small one. It is absolutely impossible for a cruel robber to be ordained as a Buddhist monk. Thus, at this time I want to join all the Lao people nationwide to again express our strong hatred toward the crimes of the Thai ultrarightists. /What we must do/ is to be highly alert to the dark schemes of the enemies, to carry out our national defense and national security effectively, and to firmly unite together so we can stop them from committing more crimes against the people in the three villages.

PASASON Commentary

Vientiane PASASON in Lao 13 Nov 84 p 4

/Commentary: "The Thai Reactionaries Have Not Given Up Their Cruel Tricks Over the Three Lao Villages." An English Language version of this item was published in FIBS Asia and Pacific DAILY REPORT for 16 Nov 84 p 11/

/Text/ On a trip back from Uttaradit Province which is across from Sayaboury Province of Laos on opposite sides of the Lao and Thai border, Mr Prasong Sunsiri, Secretary of the National Security Council of Thailand, told reporters from the National Radio Broadcasting of Thailand on 9 November that, "When our troops came out the Lao sent their forces into the area, showing their intention to create a problem." This statement again reflected the trickery, cheating, and lying of the Thai ultrarightist reactionaries who still carry on their cruel policies based on the dark scheme of pan-Thaism in the three-village area of Ban Mai, Ban Kang, and Ban Savang, Paklai District, Sayaboury Province. They are directly supported by Chinese expansionism and hegemonism.

The defeat in the encroachment upon and occupation of Lao territory in the Paklai District area of Sayaboury Province is not only a painful loss for the Thai ultrarightist reactionaries led by Athit Kamlang-ek, the supreme commander and the RTA commander, in carrying out the plan of pan-Thaism, but also represents another shameful loss of the Beijing reactionaries. Despite the embarrassment and the strong condemnation from progressive opinion in Thailand and the justice-loving peoples around the world, the Thai ultrarightist reactionaries who have been collaborating with the Beijing reactionaries are continuing to use hundreds of thousands of tricks to cover up their great crimes toward the Lao people, and to look for every way possible to drag out the solution of the problem of the three Lao villages. Even though they have now announced the withdrawal of their forces from the three villages, in reality

they are continuing their destruction and the use of the Lao reactionary exiles as a tool to create unrest and problems for the Lao people in the three villages of Ban Mai, Ban Kang, and Ban Savang, and the area nearby. Try to think about the Lao people in the three-village area, those who were left from those who were taken by force by the Thai reactionaries. After the Thai troops left the villages, they returned to their homes, ricefields, and gardens to see their deserted and empty houses, their ricefields and gardens growing wild, the rice yellow and ripe all over the field, and no one harvesting it. To ensure the revival of the people's lives the guerrilla militia, all sections of the mass organizations, and the officials concerned went to the three villages to help take care of and to ensure the normalization of the people's new life, e.g., to ensure security and to dismantle the evil tricks of the enemies who hope to prevent the peaceful start of their new lives in the three villages. Is this what Mr Prasong Sunsiri means when he says that the Lao side "intentionally creates a problem" Who intentionally creates problems? Who used troops to encroach on and occupy Lao territory? Who destroyed the Lao people's property in the three villages, and who took most of them by force to Thailand? Who else, if not the Thai ultrarightist reactionaries? The people of the whole world all know this already. If these acts of the Thai reactionaries are too terrible to be called savage and insane acts, then how will they be described as objects for the Lao people's hatred?

Even so, the Thai ultrarightist reactionaries backed by the Beijing reactionaries are still stubbornly and shamelessly continuing to carry out their provocative schemes to drag out the solution of the three-village issue. This is extremely childish and an undesirable act for the Thai people and all social classes in Thailand. Thus, if the Thai ultrarightist reactionaries still continue to slander Laos' good intentions, they will be strongly condemned by both Thai and world opinion.

9884

CSO: 4206/36

BRIEFS

CENSUS PLANNING -- In the morning of 25 October at the census office there was an impressive ceremony to open the conference on the second national census presided over by Mr Asang Lavli, a Central Committee member, deputy minister of interior, and deputy head of the central authority's Guiding Committee for the Census. Those attending the conference included Mr Yiaveu Lobia-nyao, a Central Committee member, president of the Committee for Ethnic Groups, and a member of the central authority's Guiding Committee for the Census; Mr Khamphet Phengmouang, first vice chairman of the State Planning Committee together with the State Planning Committee and the heads of the census offices of the various provinces throughout the country and more than 200 invited guests. The UN representatives in Laos and experts from the Socialist Republic of Vietnam and the Soviet Union were invited to the opening ceremony at this office and came as an honor. At the conference Mr Asang Lavli began his speech by indicating that: the conference would last a month and the representatives who participated would have the opportunity to listen and to study various important documents in the area of census activities so that everyone would get the plans giving the details of the census taking, the methods and recommendations for recording the responses on the census form, assembling the data, and many other details. After the orientation is completed, the people who came for training will begin practice census taking at the grassroots level in order to improve understanding and draw lessons which will be disseminated to each of the localities and branches in order to achieve success and respond to the requirements of the decree of the Council of Ministers, No 073/P.S.L. as well as order No 110/Kh.L.S.Y. issued by the Secretariat of the Party Central Committee. /Text/ /Vientiane KHAOSAN PATHET LAO in Lao 25 Oct 84 p A7,8/ 8149

VIENTIANE CROP CULTIVATION -- Since the middle of October the agricultural co-operative members, farmer labor exchange teams, and the multi-ethnic people in seven towns and throughout the City of Vientiane began to harvest their dry field and wet field rice, which covers an area of more than 37,000 hectares and which they had ripened in time for the season. /Excerpt/ /Vientiane KHAOSAN PATHET LAO in Lao 22 Oct 84 p A4/ 8149

CROP LOSSES, FOREIGN AID--The Ministry of Agriculture, Irrigation, and Agricultural Co-ops held a joyous celebration of the fourth anniversary of World Food Day (16 October). In our country our government has set the direction and expected level for 1984 as follows: to increase the wet rice-growing area from 400,000 to 450,000 hectares, to decrease forest slash and burn from 30,000 to 27,000 hectares, to increase dry-season rice-growing from 6,000 to 12,000 hectares, to encourage collective animal raising and the family economy, and to carefully and effectively expand the veterinarian network. In order to realize these figures farmers all over the country are putting their efforts into harvesting highland rice and continuing taking care of paddy rice. They are also getting ready to look for materials and equipment in order to start the dry-season rice-growing on a broad scale in 1985 in time for the season, carefully carrying out the 1984 plan, and solving problems as when there were floods in the central and southern regions which damaged over 40,000 hectares. Another serious incident was that while the people were sowing and clearing their land the Thai ultrarightist reactionaries under the influence of the Chinese expansionists and hegemonists sent their troops to illegally invade the three Lao villages in Sayaboury. This incident not only had an adverse effect on the production of the people in Paklai District, Sayaboury Province, but all over the country as well. We have been working in cooperation with international aid and fraternal socialist countries. The United Nations has provided capital of \$486,250 for assistance during the floods. This included water pumps, spray cans, pesticides, animal feed, agricultural tools, scales, a rice-threshing machine, rice mills, and rice seedlings totalling \$11,645 along with 1,800 tons of chemical fertilizer and pesticides. /Excerpts/ /Vientiane PASASON in Lao 19 Oct 84 p 2/ 9884

CSO: 4206/30

DAILY SUPPORTS LANGE'S NONRECOGNITION OF POL POT FACTION

Christchurch THE PRESS in English 5 Nov 84 p 14

[Editorial: "No Recognition for Pol Pot"]

[Text] As the National Government before it, the new Labour Government has an embarrassing problem in its attitude towards Kampuchea. The announcement last Wednesday that the New Zealand Government did not recognise the Coalition Government of Democratic Kampuchea was really an attempt to get the emphasis right in this country's approach. New Zealand has not recognised the coalition because it is a Government-in-exile and cannot be held to be in control. The occasion for the announcement was the vote in the General Assembly of the United Nations requiring the withdrawal of all foreign troops from Kampuchea. No vote was taken on who should represent Kampuchea in the United Nations. Had it come to the vote, New Zealand would have continued to support the coalition as the representative of Kampuchea. As it was, New Zealand co-sponsored the resolution put forward by the Association of South-East Asian Nations asking for a withdrawal of foreign troops.

Democratic countries such as New Zealand remain embarrassed by the need to define an attitude towards Kampuchea. The Kampuchean coalition includes, as a major component, the Khmer Rouge, the force which controlled Kampuchea between 1975 and 1978. Indiscriminate slaughter by the Khmer Rouge reduced Kampuchea's population significantly. The leader at that time was Pol Pot, who is still a commander of Khmer Rouge forces, but whose infamy makes him an unacceptable person to have in the forefront of the coalition.

New Zealand supported what was then known as "Democratic Kampuchea" for a seat in the United Nations, even when Pol Pot was not as far in the background as he is now. But New Zealand, unlike Australia, did not press its attitude. There was sufficient interest in the subject in Australia for it to become an issue between the Prime Minister, Mr Malcolm Fraser, and Mr Andrew Peacock, who is now Leader of the Opposition. Mr Peacock's view prevailed and Australia announced that it was withdrawing recognition of the Pol Pot Government and abstained from voting on the question of credentials in the United Nations.

One of the reasons for the announcement from Mr Lange, the Prime Minister and Minister of Foreign Affairs, was as a response to opinion in the Labour Party.

The annual conference of the Labour Party in September asked the Government to withdraw recognition from the Pol Pot regime. Mr Lange said he wanted to make it clear that New Zealand did not give any recognition to Pol Pot. Mr Lange's recent statement is an attempt at clarification. Since the public, including some Labour Party delegates to the conference, may not make a distinction between support for the coalition in the United Nations and formal recognition, Mr Lange was saying that whatever the view was previously, New Zealand does not formally recognise Pol Pot now.

Apart from the humanitarian reasons why New Zealand should not recognise a coalition of which the Khmer Rouge forms a part--and these reasons are compelling--it makes good sense not to recognise a group which cannot claim to govern a country. The Coalition Government of Democratic Kampuchea consists of three groups which are fighting a guerrilla war against the forces of the Kampuchean Government and the 180,000 Vietnamese troops that occupy Kampuchea. Besides the Khmer Rouge, the coalition includes the Khmer People's National Liberation Front, and the forces of a former ruler of Cambodia, as Kampuchea was then known, Prince Sihanouk. The three groups existed separately until June, 1982, when the coalition was formed. The three armed groups still tend to act separately, the K.P.N.L.F. and the Sihanouk forces staying away from the Khmer Rouge, but there is a formal association of the three.

New Zealand does not give any military aid to any of the parties in Kampuchea. It provides humanitarian aid on the Thailand-Kampuchea border. China has been the chief source of military aid to the resistance forces, mostly to the Khmer Rouge. More recently, Singapore is reported to be giving aid to the K.P.N.L.F. and the Sihanouk forces. The United States has been under considerable pressure from the Association of South-East Asian Nations to provide assistance. It is reported to be providing financial aid through the Central Intelligence Agency.

Kampuchea was invaded by Vietnam in 1978 and the present leader, Mr Heng Samrin, was installed with the approval of the Vietnamese. The Governments in A.S.E.A.N., with good reason, see this as unacceptable. If the Vietnamese can invade Kampuchea, install a leader of their own choosing, and continue to occupy the country for an indefinite period, then the very least that can be done is to withhold recognition of that Government.

The A.S.E.A.N. countries want to do more. They want to give the resistance forces just enough arms to make a nuisance of themselves against the Vietnamese and the puppet Kampuchean Government. This is seen as a method to make the occupation costly and eventually to bring about a settlement which would include Vietnamese withdrawal. New Zealand has followed the A.S.E.A.N. approach towards resolving the problem of occupied Kampuchea.

Unfortunately, the Khmer Rouge remains the strongest military force in the coalition of exiled Kampucheans and if any military gains were made, the position of the Khmer Rouge would be strengthened. The other worry is that the Vietnamese will grow tired of Thailand's tacit, and occasionally active, support for the resistance forces on the border and strike against Thailand. New Zealand, under the present Government, as under the previous Government, is caught in the situation of supporting the A.S.E.A.N. countries, and of wondering about their wisdom.

NEW USSR ENVOY ON BILATERAL AFFAIRS, TRADE IMBALANCE

Wellington THE EVENING POST in English 7 Nov 84 p 27

[Interview with USSR Ambassador to New Zealand Vladimir Bykov by Karen Brown: "Message of Cooperation Marks Soviet National Day"]

[Text] Every New Zealander should know that there is no threat from the Soviet Union in this part of the world, says the new Soviet Ambassador, Mr Vladimir Bykov.

Mr Bykov's first major interview with the press since arriving in New Zealand five months ago was timed to coincide with the Soviet Union's National Day today.

During a wide-ranging discussion, Mr Bykov talked about claims that there has been a massive Soviet naval build-up in the Pacific.

He said he viewed statements about a Soviet threat in the Pacific as "a non-sense."

"We are certainly increasing our defences in the (Soviet) Far East, however," he said.

"It's understandable if you will take into consideration that the other side tries to encircle the Soviet Union from the Far East from the Pacific, with enormous quantities of bases, of nuclear aircraft, of all kinds of planes, (and) rockets, including cruise missiles and all that."

The far eastern part of the Soviet Union was becoming more and more developed industrially and had a growing population. In addition, it had been invaded many times.

"What we're doing there we're doing only in defence and nothing more," the new ambassador said.

He added that the Soviet Union has very important shipping and cargo lines, as well as a large fishing fleet, to look after in the Pacific.

"We do not have in this area any particular ambitions that would be contrary to the interests of the people living in this part of the world."

"We want stability in this part, only stability, prosperity. We want co-operation, that's all we want."

Mr Bykov said information about a "so-called Soviet threat" was given out by people who wanted to explain their own military power, to justify increases in armaments and to spoil Soviet relations with Pacific countries.

"Every New Zealander should know for sure that there is no threat from the Soviet Union in this part of the world," he said.

"We do not want lands here, we do not want special interests here, we want co-operation, understanding and friendship in this part of the world."

Mr Bykov, who is in his 50s and has spent the past two years as the deputy Soviet ambassador in London, said people everywhere were living in a "very dangerous period" for world peace.

"It was never as serious as now during all the postwar period, and I have a feeling sometimes that in some countries in the West people do not understand yet how serious it is."

World war could be started by one simple miscalculation, he said, and the more weapons there were the more chances there were for errors.

Hope of averting war lay in greater political dialogue of the kind that was now possible between New Zealand and the Soviet Union with the restoration of relations following the exchange of ambassadors this year.

Mr Bykov's appointment and that of Miss Alison Stokes as New Zealand ambassador in Moscow, ended a four-year freeze on top-level diplomatic contact between the countries. Mr Bykov is the first Soviet ambassador in Wellington since Mr Vsevolod Sofinsky was expelled in 1980 for allegedly passing funds to the Socialist Unity Party.

Asked how he felt about what happened to his predecessor, Mr Bykov replied that he had been in diplomacy for 26 years.

"I am not a newcomer. I am a realistic man as my government is."

"I got instructions from my government and when my government says you go, I go. Sometimes it doesn't matter whether you like it or not, you go."

"But I'm lucky because I think that I was not in a friendly war in this country."

"I made a conclusion that this country wants to turn over the worst page in our relations and to start a new page, to start a new book (in) which I suppose together we shall write better than we did before."

The new ambassador described Miss Stokes, whom he met in Moscow, as an intelligent woman who did a good job and who was well respected in the Soviet Union.

He also said that in spite of the countries' different political systems and alliances, New Zealand and the Soviet Union shared some common political views on such things as non-proliferation of nuclear weapons, a ban on nuclear tests and on the use of chemical weapons, Antarctica and the demilitarisation of outer space.

He was critical, however, of the fact that "not many politicians in this country, who decide politics, ever visited the Soviet Union."

"It looks to me incredible. How can you talk without bias, with proper balance when you never visited the country, when you never talked to the people there?" he said.

Mr Bykov also expressed concern about the large trade imbalance between the countries which he said ran 30 or 40 to one in New Zealand's favour.

"I've said many times before, it's very, very unfair."

The Soviet Union had bought a total of \$NZ200 million worth of goods from New Zealand so far this year whereas this country had taken only \$NZ14 million in exchange.

Included in the goods purchased from this country this year were more than 20,000 tonnes of mutton, 12,000 tonnes of powdered milk, and 35,000 tonnes of wool.

Since 1974, the ambassador pointed out, his country had bought 500,000 tonnes of mutton and lamb.

Mr Bykov said he saw possibilities for the Soviet Union to export more automobiles, tractors, coalmining equipment, fertiliser, trolley buses and turbines to New Zealand. He was going to make increasing trade in his country's favour a major priority.

He added that on November 20 a visiting Soviet trade delegation headed by the Deputy Minister for Foreign Trade, Mr Nikolai Smelyakov, will arrive to discuss matters in detail.

The ambassador took the opportunity of the "Post" interview to say he had been met with friendship and hospitality wherever he had been in this "fairytale" country to date.

One of the main things that had struck him about this country, which he had never visited before, was that in just 150 years New Zealanders had turned the land into a country of beautiful villages and beautiful cities, Mr Bykov said.

--The Soviet Union's National Day on November 7 commemorates the Great October Revolution of 1917. This was a series of events that began with the overthrow of the imperial regime on February 1917 and ended with the establishment of Bolshevik (communist) rule in Russia in October. The Second All Russian Congress of Soviets approved the formation of the new government on November 7. November 7 and 8 are national holidays in the Soviet Union. The embassy in Wellington is celebrating this evening with a reception.

ARTICLE SUMMARIZES ISSUES, ROLE IN ANTARCTICA

Christchurch THE PRESS in English 10 Nov 84 p 21

[Article by Ken Coates: "'Cold War' Hotting up Over Antarctica as Third World Claims Share of the Goodies"]

[Text] "Recognising that it is in the interest of all mankind that Antarctica shall continue forever to be used exclusively for peaceful purposes and shall not become the scene or object of international discord." Antarctic Treaty.

New Zealand's role in the world's last undeveloped continent, Antarctica, is under close scrutiny from Third World countries and environmentalists.

To developing countries who have mounted a campaign in the United Nations to declare Antarctica "the heritage of all mankind," New Zealand belongs to an exclusive club of 16 Antarctic Treaty "consultative" nations.

The conservationists just want New Zealand to do its utmost to ensure the continent of 14 million square kilometres remains an unspoiled wilderness area.

So far, the treaty countries, which include the United States and the Soviet Union, have tried to keep the lid on the Third World boat-rocking.

The Antarctic is the only area in the world in which the two superpowers co-exist, and the treaty which allows other countries to join the club after demonstrating scientific endeavour has set aside the contentious issue of territorial claims.

The fear is that the Third World bloc in the United Nations will upset the Antarctic Treaty by having Antarctica declared a heritage available to all.

The treaty nations have therefore supported a move for comprehensive study of "the Antarctic question." Their hope is that the merits of the Antarctic Treaty system, which has worked successfully for 25 years, will be fully vindicated.

Meanwhile against this background of suspicion that they are secretly and exclusively using Antarctica's resources and not sharing developments with

the underdeveloped countries, members of the club are quietly negotiating a set of rules designed to cover oil, gas, and mineral exploration and recovery.

While the extent of oil and mineral resources have always been speculative, some geologists regard the Ross Sea, in the 600,000 square kilometre section claimed by New Zealand, as the most attractive area for commercial exploration.

The theory is that millions of years ago the Antarctic continent was linked with India and Australia and the islands of the Southern hemisphere. Where they were once joined, the new continents are thought to have developed continental shelves on which sedimentary rocks were deposited.

Discovery of oil and gas in areas formerly adjoining Antarctica is thought to suggest the possible presence of these resources on the Antarctic continental shelf.

The Ross Sea may resemble the Gippsland Basin of Australia which contains vast reserves of oil and gas.

Early in 1973, the United States ship, the Glomar Challenger, drilled four experimental holes in the Ross Sea, three of which showed methane and ethane were present.

This discovery, and the oil crisis in the Middle East, led to a secret study of minerals by the United States Geological Survey. For the Ross, Weddell, and Bellinghausen Seas, estimates of 45 billion barrels of petroleum and 115 trillion cubic feet of gas were made.

Publication of these figures, leaked to the press, embarrassed the United States Government. Subsequently, the survey said it did not have enough information to accurately estimate petroleum potential.

If a vast reservoir of oil does exist in the Ross Dependency, who would be able to exploit it? It is the answer to this question which is at the back of the tortuous negotiations for a minerals regime which have been going on since 1970.

New Zealand is one of seven countries claiming sovereignty over parts of Antarctica; the others are Argentina, Chile, France, Australia, Norway, and Britain. No other country has made claims.

Apart from Australia, France, New Zealand, and Britain, which mutually recognise each other's claims, no other country recognises any claims to slices of the vast continent.

Some of the claimants, indeed, seem to have bitten off more than they can chew. Australia, which claims six million square kilometres, has the largest area and also a concentration of Soviet bases within it. Both the United States and the Soviet Union have bases handy to the promising Ross Sea area.

But negotiations for a minerals resource regime have a precedent. As the oil crisis waned, it became necessary to regulate the harvesting of krill, the staple food of whales, and seen by some as the world's largest fishery stock.

As a result, in 1980, the Convention for the Conservation of Antarctic Marine Living Resources was signed. A commission to administer this regime has been established in Hobart with a small staff.

A New Zealander with long experience of international negotiations on Antarctica as head of the Antarctic Division of the D.S.I.R., Bob Thomson, is optimistic that agreement on a minerals regime will be reached in two or three years.

He also considers it possible, even with the eventual exploitation of oil ("most likely not until next century") to retain the important elements of the Antarctic Treaty. These are de-militarisation, sharing of scientific information, no nuclear testing, and environmental protection.

He concedes to political snags, mainly between claimant and non-claimant states, in 12 years of negotiations as well as East-West differences, but says that treaty countries are close to agreement.

Unlike the Wellington-based Antarctic and Southern Ocean Coalition, which charged treaty countries with moving towards an open-slathe system, Mr Thomson considers environmental safeguards and policing measures to be adopted will ensure that the Antarctic remains a true wilderness area, in spite of exploitation of oil and minerals.

Conservation provisions already agreed to establish it as a wilderness, he explains. "No one can take anything from Antarctica; even scientists are restricted, many places being set aside which even they cannot enter.

"Can this continue along with oil exploitation and mining? Provided the rules and regulations I am certain will be introduced are policed closely, then I see no reason why the region should not stay the way it is."

Unprecedented Risks Faced

Professor F. M. Auburn, of the University of Western Australia, sees major problems with Antarctic oilfields. Combining the hazards of severe pack-ice, prolonged high-intensity storms, and seabed-scouring icebergs, exploitation will face unprecedented risks, he says. Pressures on workers under severe operating conditions are likely to lead to mistakes, the most common cause of disastrous blow-outs.

Given the scale of any Antarctic undertaking--and it would have to be huge to be economic--and the past record of accidents in less hazardous areas, tanker losses and serious accidents from iceberg collision, storms, or other causes would appear inevitable, he claims.

Bob Thomson makes the point that the easing of the world oil crisis has given the treaty countries more breathing space to consider all aspects of exploitation, and probably allow for greater technological development.

Probably the worst that could happen would be an under-sea fracturing of a pipeline or a major uncontrollable blow-out. These would cause a great deal of pollution of the marine environment and its extent would depend on how long it lasted.

"But we have had time to look at what has happened in other countries, including environmental assessment and review processes in Canada. This country has strict rules and regulations for exploration and exploitation, particularly in the Beaufort Sea area."

But, as Professor Auburn comments, Canadian officials were unable to suggest any adequate clean-up procedure if oil escaped from a blow-out over many months, and this conclusion would apply equally to the Antarctic.

Bob Thomson stresses the close examination of environmental issues by a number of working groups made up of dedicated scientists with wide experience in the Antarctic.

He is chairman of the finance committee of the Scientific Committee on Antarctic Research, and at a recent meeting in Bremerhaven reminded members that more than 70 per cent of funding this year was being spent on environmental issues.

"The regime will not be the key to opening up Antarctica to exploitation," he says. "It is being put into effect to ensure any permitted activity will be very strictly controlled."

He concedes that policing poses some practical difficulties but governments will be asked to produce reports at regular intervals on the activities of commercial companies.

He rejects recent criticism that a proposed minerals commission would not have the power to reject applications to prospect, explore, or develop a well or mine.

Applications for licences would probably be dealt with initially by three regulatory committees, on which claimant and non-claimant states would be represented. The committees would have responsibility for separate areas of Antarctica.

The proposed commission would be given information by a scientific, technical, and advisory committee on likely impact on the environment, safety, and other relevant issues.

If oil is found off-shore in the Ross Sea, and the Soviet Union wants to set up a rig to exploit the field, where would New Zealand stand?

Such a hypothetical question touches one of the most sensitive areas in negotiations--the relevance of sovereignty claims and what this means for claimant countries. This issue has resulted in "a lot of shuffling around," according to Bob Thomson, but he is optimistic about agreement.

"Claimant states want a percentage or special fee from the exploiting country for the rights to exploit the oil or minerals," he says.

Thus, while New Zealand might not have the immediate resources to mount an oil recovery programme, it would stand to gain income from countries operating in its territory.

If a country drilled for oil off the coast of west Antarctica, where no territorial claims have been made, it would not have to pay this fee.

"But while the regime would mean, for example, that the Soviets can drill in the Australians' or New Zealanders' territory, this does not mean they can just go ahead immediately," says Mr Thomson. "They will need to have regard for a whole list of rules, regulations, and restrictions, most of them concerning the environment."

Behave--or Else...

Exploitation of minerals without regard for rules established by the Antarctic club is considered most likely to result from the impulsive action of a small developing country sensing immediate profit. But unilateral action could result in exclusion.

As Bob Thomson says, it is almost impossible for any one country to operate in the Antarctic alone. All Northern Hemisphere countries have to use a Southern Hemisphere port which could be denied them at any time.

As to Third World countries' demands for equal claim to Antarctic resources, Mr Thomson has reservations. "Countries involved down there spend a lot of money finding out more about the region, and any resources found would probably be as a result of their research and related activities," he says.

Developing countries had some claim but they would have to give an indication of being able to conduct some programme of activity in the Antarctic.

"A number have acceded to the treaty and are considering such action, but many are a long way from involvement because of lack of resources."

(New Zealand spends about \$3.5 million annually on its Antarctic effort--a small outlay compared with any other country involved there. We can keep spending at this low level mainly because of the assistance we receive from the Americans.)

Bob Thomson also has the distinct impression that some developing countries are short on accurate information about the realities of the Antarctic, and believe it offers "gold and diamonds for the picking."

It is perhaps with this in mind that African, Arab, and Asian countries which have been critical of the treaty system, have been invited to attend a meeting only 400 nautical miles from the South Pole.

Most of the 32 countries which have acceded to the Antarctic Treaty are also expected to take part. The meeting is being billed as an opportunity for a free and informal exchange of views on Antarctic science programmes, the environment, resources, and operation of the treaty.

The meeting from January 5 to 13, will be attended by Mr Thomson who says it will be an opportunity to show people without great experience of the Antarctic what conditions are like. "The only way to do that is to put a person in Antarctica so that they can live there for a few days."

He chuckles, as he adds: "Those attending will be taken from Christchurch to the top of the Beardmore Glacier where the field camp is set up. That in itself will be a dramatic change."

CSO: 4200/259

SEMINAR EXPLORES PRC MARKET OPPORTUNITIES

Auckland THE NEW ZEALAND HERALD in English 8 Nov 84 p 20

[Text] In Peking two weeks ago, unemployed youths were selling Ecuadorian bananas from barrows all over the city.

In one of Peking's newest hotels, guests could eat a New Zealand steak for \$35.

In another, they trod luxury carpet worth \$1.3 million from Feltex. The Auckland company has just signed a \$700,000 deal with a second big hotel, and is negotiating for 15 more.

Even in the countryside, according to a speaker at an Export Week seminar on China in Auckland yesterday, peasant families are forming their own enterprises which would have the right to form joint ventures with New Zealand companies.

May Miss

"In China today, market forces are setting the pace for all except the major project areas with a major bearing on the economy," said the Wool Board general manager of industrial services, Mr Roger Buchanan.

Another speaker, Mr David Ives, general manager of Anzdec agricultural consultants, said "every man and his dog" was now trying to sell in China.

"If you do not move into the China market now, you will not get in," he said.

The seminar, which attracted 50, came just over a month before the Minister of Overseas Trade, Mr Moore, will lead a trade mission of about 70 business leaders to China between November 12 and 20.

Those who cannot go in December are making their own plans for the New Year.

Mr Buchanan said the Wool Board was considering a number of joint venture proposals to use New Zealand wool to make knitwear, blankets, and a wide variety of textiles in China.

Output Export

He said the Chinese refused to buy these products already made-up in New Zealand.

The Chinese also nearly always required that a proportion of the output of any joint venture be exported, normally back to the country which formed the venture.

However, the proportion of exports was negotiable, and Mr Ives said that, for meat for instance, it could be substituted by sales to foreign tourists in the new Chinese international hotels.

Mr Buchanan said changes in China this year had been so great that they could not have even been dreamt of a year ago.

"There has been quite a spectacular increase in the standard of living," Mr Buchanan said.

"It is focused very much on the urban areas at this stage, but even the peasant is moving very rapidly by traditional standards."

In fact, Mr Ives said, the new family-run businesses in rural areas provided perhaps the best opportunities for small New Zealand exporters who could not supply the needs of the big state agencies.

CSO: 4200/259

REPORTAGE ON LABOR GOVERNMENT BUDGET

'Radical' Cornerstone for Recovery

Auckland THE NEW ZEALAND HERALD in English 9 Nov 84 p 1

[Text] A radical budget which hits everyone's pocket but protects lower-income families was presented to the nation last night as the cornerstone for Labour's programme for economic recovery.

Higher personal tax for many, a leap in power charges, and a sweeping reduction of Government subsidies will be the immediate cost of a budget which fore-shadows a two-thirds reduction in the Government spending deficit over the next two and a half years.

But in the longer term, the budget signals the most dramatic change in the tax system in 25 years as the pivot of Government effort to put the economy on a sound and more competitive footing.

The basis of a new tax structure will be the introduction in 1986 of an all-embracing tax on goods and services, expected to put an extra \$1 billion a year in Government coffers.

The tax, details of which will be worked out over the next 12 months, will be the most far-reaching taxation innovation since the introduction of Paye in 1957.

When it is introduced, the Government has promised to lower direct personal income tax rates, because of the switch to more broadly based indirect taxes.

Deficit Cut

While the budget will have only a modest impact on the Government's internal deficit this financial year--it will go down from \$2.9 billion last year to \$2.76 billion--the full effect of the new tax and other measures will be felt over the next two years.

The Government aims to slash the deficit by just over \$1 billion next financial year, and by a massive \$1.76 billion in the year to 1987.

Presenting his first budget, the Minister of Finance, Mr Douglas made good Labour's pre-election pledge to cushion families on modest incomes from the effects of his economic restructuring.

The new "family care" support programme will give them \$10 a week tax-free for every child. An estimated 230,000 families will benefit from the programme, which will cost nearly \$240 million.

A further \$70 million will be distributed through increases in associated programmes for low income families such as the principal income earner tax rebate scheme.

The Debits

There will also be a \$40 million increase in national superannuation rates--or a rise of \$6 a week for married couples and \$3.60 for single superannuitants.

All families will gain from a \$5 increase in the general medical services benefit for child consultations.

On the debit side, however, wide-ranging Government economies, intended to back up the 20 per cent devaluation in July, will rake in an extra \$172 million in the remaining four months of the financial year.

The effects will be felt throughout the community, particularly through a petrol price rise of 2.6 cents a litre, and higher prices for electricity, cigarettes and liquor.

While national superannuation rates will rise, one in four recipients will be hit with a surcharge on any alternative income over \$5200 a year.

'Perks' Tax

The Government has not shied away from tackling the controversial and complex area of fringe benefits such as company cars.

However, instead of penalising workers who receive the "perks," the Government will require employers to foot the bill.

Free, subsidised or discounted goods and services such as cars, accommodation and low interest loans will be taxed "where administratively practicable" at the rate of 45 per cent.

The fringe benefit tax, which will apply from April 1 next year, is expected to raise \$112 million, rising to \$150 million in 1986-87.

Mr Douglas foreshadowed the total removal from next year of the subsidy on milk--a \$30-million move which will add at least 5c to the price of a bottle.

The transport, agriculture and forestry sectors of the economy are among the hardest hit in the budget, through a 46 per cent increase in road user

charges, higher fuel prices and the removal of Government assistance measures.

Home Rebate

The moves will next year give the Government an additional \$113 million from the transport industry, \$233 million from agriculture and \$57 million from forestry.

On the domestic front the Government did as expected and will not continue the tax rebate on first home mortgage payments on houses bought as from last night.

It also wiped the tax deductibility of new life insurance policies. But it stopped short of removing the tax deduction on existing policies.

Mr Douglas said his budget was building on steps the Government had taken to make long-overdue adjustments to the economy.

The Government had resolved to take a positive approach to restructuring.

"Experience shows that difficulties cannot be wished away," he said.

"Postponing action in the hope that something will turn up or that time will solve everything has only made the problems worse."

Main Points Summarized

Auckland THE NEW ZEALAND HERALD in English 9 Nov 84 p 1

[Text] Energy:

The bulk electricity tariff will increase 25 per cent from April 1; the average prices charged by State Coal Mines will go up 35 per cent.

Transport:

Road user charges will be increased by an average of 46 per cent from February 1 with petrol, CNG and LPG rising from midnight last night. Petrol is up 2.5c a litre.

Family Care:

Families with incomes up to \$20,470 will get \$10 a week for each child in addition to family benefit.

Superannuation:

One in four national superannuitants can expect to pay a tax surcharge on additional income; at the same time the net rates of income-tested social security benefits, war pensions and national superannuation will increase \$6 a week for a married couple and \$3.60 for a single person from December.

Taxation:

Income earners between \$6000 and \$25,000 a year will face a tax rise from 31.5 per cent to 33 per cent.

Milk:

The milk subsidy will be removed early next year and is expected to raise the cost of a bottle of milk by 4 to 5 cents.

Goods, Services:

The Government has signalled its intention to introduce a goods and services tax in 1986 in the most sweeping tax change since the introduction of Paye tax in 1957. The amount has not been set for the turnover tax which will be levied on all goods and services.

Agriculture:

All fertiliser transport subsidies have ended and the fertiliser price subsidy will end on March 31. Other allowances and subsidies will be cut and interest rates on all Government-funded rural lending will be brought into line with market interest rates.

Forestry:

The price for state exotic wood will be brought up to market levels within five years. Forestry encouragement grants will be abolished and replaced with tax deductibility provisions similar to those provided for agriculture.

Housing:

Pending a comprehensive review of all housing policies the Government will increase expenditure on state rental housing to provide 1000 state rental units. There will be a 27 per cent increase in Housing Corporation lending and the Housing Corporation prime lending rate will return to 9 per cent.

Education:

More than 200 additional teachers will be appointed. Tertiary students' benefit will go up to \$33 a week.

Home Rebates:

The income tax rebate on interest payments on first home mortgages has been terminated.

Perks:

All employers will face a fringe benefit tax on employer-provided cars, low interest loans, and free, subsidised or discounted goods and services from April 1.

Life Insurance:

The personal tax exemption for life insurance premiums and superannuation contributions has been removed for all new policies.

Other Taxes:

The tax on computers is reduced from 40 to 10 per cent. The rate on records, tapes and cosmetics halved to 20 per cent and the rate on caravans and boats halved to 10 per cent.

Government Spending Up

Auckland THE NEW ZEALAND HERALD in English 9 Nov 84 p 4

[Text] Gross Government spending has been set in the estimates at \$19,401 million this financial year, an increase of 12.98 per cent over the \$17,172 million spent last year.

Inflation for 1984-85 has been predicted by the Institute of Economic Research to run to about 8.5 per cent, so the increase in spending in real terms is about 4.5 per cent.

The biggest area of general expenditure, social welfare, is estimated to increase by 10.45 per cent this financial year.

The spending is budgeted to rise to \$4424.1 million from \$4005.6 million.

The heaviest drain on the vote--national superannuation--rises from \$2526 million to \$2750 million.

Social Welfare

The new "Family Care" programme is estimated to cost \$75 million this financial year, and unemployment benefits \$304 million compared with \$315.8 million.

However, the cost of the domestic purposes benefit is estimated to go up from \$308.8 million to \$458.7 million.

Invalid benefits are budgeted to rise from \$87.4 million to an estimated \$104.4 million.

Over all, monetary benefits and special assistance rise from \$1224.9 million to \$1394.2 million.

War pensions are estimated to require an extra \$3.5 million and general social work services is estimated to cost \$37.6 million compared with \$30.5 million.

Health

The Health Department will spend \$1939.5 million compared with \$1804.9 million--a 7.5 per cent increase.

No specific areas are targeted for increases. Health spending rises across the board.

Education

The education vote will rise by only a little over 2 per cent--from \$1690.4 million to \$1727.4 million.

Major changes in spending emphasis come from a reduction of \$8.137 million in teacher education and an increase in school operations of \$15.17 million, mostly for secondary schools.

Education support services rise by \$3.86 million, technical education and continuing education by about \$4.7 million.

University education spending (taking into account the announced increase in tertiary bursaries) rises by about \$5 million.

Spending on universities as a whole is estimated to cost about \$11 million more than last year.

Defence

And the Government has allocated an extra \$5 million for the National Gallery.

Spending on defence rises from \$672,978,000 to \$773,055,000, or 14.9 per cent.

Spending on the Navy goes up from \$159,959,000 to \$173,995,000, the Army vote from \$198,645,000 to \$213,318,000 and the Air Force vote from \$203,346,000 to \$250,286,000.

Expenditure on New Zealand forces overseas rises from \$44,403,000 to \$51,775,000.

Foreign Affairs

The estimates allow for an increase in foreign affairs spending of 14.3 per cent--up from \$174.8 million to \$199.8 million.

Bilateral aid to South Pacific and South-east Asian countries increases from \$59.9 million to \$61.8 million.

Multilateral aid--mainly aid to agencies--decreases from \$11.4 million to \$10.8 million.

Total aid, therefore, is up from \$71.4 million to \$72.6 million.

Foreign affairs spending on property goes up from \$13.6 million to \$18.2 million. The main factors in the increase are probably the establishment of New Zealand missions in India and Saudi Arabia.

The greater emphasis on overseas posts also accounts for part of the increase in foreign affairs spending from \$9.8 million to \$12.4 million.

Foreign affairs staff salaries and allowances account for an increase of more than \$9 million.

Subsidies to the Pacific Forum Line are estimated to take \$3.6 million of the foreign affairs budget.

Housing

The vote to the Housing Corporation has increased from \$249,936,000 to \$430,383,000.

The biggest jump is in assistance to housing, grants contributions, subsidies and other transfers which rise from \$79,922,000 last year to \$171,115,000.

Advances for housing development rise from \$20,200,000 to \$50,300,000, advances for lending activities from \$139,700,000 to \$199,100,000, and concessions on interest and general lending from \$23,161,000 to a negative \$85,300,000.

The vote to the Rural Banking and Finance Corporation reduces this year from \$263.5 million to \$207.3 million.

Grants and subsidies rise overall from \$12.4 million to \$32.2 million, but general lending to primary industries reduces from \$250 million to \$175 million.

Police, Justice

The Police Department will receive \$195.7 million compared with \$185.7 million, which was below the 1983-84 estimate of \$191 million.

The increase this year allows a small increase in staff and a rise in operating costs from \$161.4 million to \$170.7 million.

The administration of justice is estimated to require \$157.6 million, compared with \$135.8 million.

The cost of running penal institutions is expected to rise to \$55 million from \$51.7 million.

Forestry, Works

Included in the estimate is \$5.5 million for electoral services including the cost of the general election this year.

The Forest Service vote increased from \$158.1 million to \$249.7 million.

Among its areas of spending is \$97.8 million in the forestry encouragement grants scheme which was expanded last year.

But offsetting the increased spending this year is the expectation of \$20 million more in receipts.

The Ministry of Works and Development loses \$21 million--\$259.5 million compared with \$280.6 million.

The biggest reduction is the ministry's contribution to the national roading programme which drops from \$93.2 million to \$51.2 million.

The Maori Affairs Department vote goes up from \$66.7 million to \$67.2 million, largely because of a general increase in administration costs, which rise from \$15.6 to \$17.1 million.

The Ministry of Energy vote goes down from \$545.8 million to \$454.5 million. Energy programmes for oil and gas decreased from \$261.8 million to \$96.8 million.

Reduces Deficit

Auckland THE NEW ZEALAND HERALD in English 9 Nov 84 p 4

[Text] Mr Roger Douglas's first budget has reduced the Government deficit by about \$150 million more than it would have come down anyway with no policy changes.

That means the Government will have to borrow only 18 per cent of what it spends this year, compared with 19 per cent it would have borrowed if there had been no change in policy.

The Treasury briefing paper to the incoming Government in July, "Economic Management," forecast that, on the then-prevailing policies, the deficit would have come down from \$2984 million in 1983-84 to \$2704 million this year anyway.

Mr Douglas has changed the system of accounting for exchange rate gains and losses, so that no exact comparison with that forecast can be made.

However, his budget shows a deficit on the new accounting system of \$3101 million in 1983-84.

On that basis, after allowing for expected inflation this year, the Treasury estimate for the deficit this year with no change in policy would have been about \$2915 million.

In fact, Mr Douglas has budgeted for a deficit of \$2761 million.

The significant changes between his budget and the Treasury no-change forecast are:

Positive (reducing the deficit):

--A \$161 million contribution from the Post Office, included under "interest, profits and miscellaneous receipts."

--A \$43.4 million increase in road-user charges, included under "highways tax."

--An increase of more than \$100 million over the forecast income from customs duties, because of the 25 per cent increase in import prices caused by devaluation.

--An increase of almost \$80 million from sales tax, despite cutting the rates on some items. This is also a result of the increased value of imported items such as computers and cars, caused by devaluation.

--An extra \$155 million from higher electricity and coal prices, showing up as a reduction in the budgeted cost of "fuel and power."

--Small cost trimming in education, health, social services, transport, agriculture and administration, which add up to significant savings.

--A \$225 million net gain from currency realignment, representing the increased value in New Zealand dollars of the country's overseas reserves at the time of the devaluation, included under "interest, profits and miscellaneous receipts."

Negative (increasing the deficit):

--A \$307 million loss by the Reserve Bank on forward cover given to importers before the devaluation. This is higher than the previously published estimate of \$240 million, and is deducted from the total for "interest, profits and miscellaneous receipts."

--A \$250 million cut in income tax compared with the no-change estimate.

--Higher spending on housing, defence and foreign affairs.

Criticism, Praise

Auckland THE NEW ZEALAND HERALD in English 9 Nov 84 p 4

[Text] Leaders of national organisations gave a mixture of praise and criticism last night to the Labour Government's first budget.

The chairman of the Combined State Unions, Mr Ron Burgess, said the budget reduced spending power and would lead to higher unemployment unless there was an upturn in exports.

"I believe it will complicate the forthcoming wage round and make it difficult to find guidelines," he said.

Budget assistance for low and middle-income earners was "very, very welcome" but it was offset to some extent by price increases.

Property

"I was disappointed there was no change in the tax structure which shifted some of the burden from wage and salary earners," Mr Burgess said.

"It does not tackle people like property speculators, for instance."

The president of the Road Transport Association, Mr Jim Fraser, said the 46 per cent average increase in road user charges was "absolutely appalling."

"We feel we are being targeted to meet fair and square all roading costs."

Trucking operators were also being targeted so that the Railways could "get its house in order to compete."

The increase in charge was the equivalent of a return to the rail restrictions in force before the industry was deregulated.

Farming

Mr Fraser said the new charges would mean cost increases for farming and industry.

The president of the Master Builders' Federation, Mr Ivan Linnell, said the industry welcomed the assistance to the first-home buyer on a modest income.

But the federation was concerned at the effect on investment which could occur because of action on insurance premiums and tax. It was also concerned at the effect on building costs of measures to follow, such as the goods and services tax.

Hard

But while there were "areas of pain, if the end result is to the benefit of the community, we and others must support that endeavour."

The executive vice-president of New Zealand Chambers of Commerce, Mr Jack Hazlett said, small-business people may have been hit hard.

Ownership of fringe benefits needed more exact definition and even-handed treatment.

"Take the example of the shareholder proprietor employed by his own company," Mr Hazlett said.

Easy

"If he uses a truck or vehicle to drive from home to his yard, he is deemed to have used that vehicle totally for private use for that day and his company will be taxed. This seems to be a long way from the intent of the budget measures to tax fringe benefits."

A tax specialist from the accountants Cooper and Lybrand said it was somewhat surprising that some targets had not been touched in the budget.

"Stamp duty and land tax would be relatively easy to increase if they want to reduce the deficit," he said.

The chairman of the Life Officers' Association, Mr Os Vivanti, said the removal of tax concessions on new life insurance policies and superannuation would make it harder for New Zealanders to provide future financial security for themselves and their families.

Unusual

He said the industry would clearly have a continuing role in meeting the needs of the people of New Zealand for future financial security.

The executive director of the Finance Houses Association, Mr Ken Baker, said the budget was a most unusual document because of the depth in which it gave a direction for the future.

It was a welcome sign that the Government was prepared to show what it planned to do, and how it intended to finance the fiscal deficit.

Mr Baker said there was little in the budget that directly affected his sector.

Plan

The president of the Export Institute, Mr John Lister, said it recognised that the Government understood the value of exports and its associated growth. But it was surprised it had not taken notice of submissions made by the institute and other parties to focus on export market development taxation incentives.

Instead it had rolled over the present system for 12 months.

Mr Lister said: "This will not allow exporters to plan for the future with confidence."

Pros, Cons Analyzed

Auckland THE NEW ZEALAND HERALD in English 9 Nov 84 p 6

[Editorial: "Budget Full of Meat"]

[Text] It is now a good deal clearer where the predicted cries of pain about the budget were supposed to come from. Contrary to many expectations, the Minister of Finance, Mr Douglas, has raised income taxes--even if not by much--on incomes from \$6000 up.

The minister has tempered his move, under the heading of social equity, with what he calls a low-income assistance package aimed particularly at families with dependent children, and providing, he says, substantial family protection to facilitate restraint in the wage round.

Elements of the package include \$10 tax-free a child on top of the family benefit to families with incomes of up to \$20,470, after which the payment abates; a rise in the principal earner rebate; net rises of \$6 for married-couple superannuitants and \$3.60 for single people and the same for welfare beneficiaries (this is apparently a Christmas box to apply in advance of expected rises); and easier access to special benefits.

Here, indeed, is a significant and, as some may see it, even handsome advance in the number of people drawing sustenance from the welfare state. The cost in a full year of low-income assistance is about \$390 million.

It is to be paid for, mainly, by the rise in taxes to take effect next month and by the removal early next year of the remaining subsidy on milk, about \$30 million. Seldom has the public been told more clearly: "You voted for it--you pay for it." Fair enough?

A second set of howls may come from national superannuitants--estimated to be up to 25 or 30 per cent of the total--who see the payment evaporating before their eyes because they have more than \$5200 in other income. Here the minister takes a risk. His move will revive the heated argument about the relative deserts of those who live for the day versus those who provide for the future, and it leaves an opening for the Opposition to promise partial or total restoration. Mr Douglas deserves recognition for courage.

A third set of howls will surely arise from the coming tax on fringe benefits. There has been a tendency in some quarters to see such a proposal merely as an assault on executives with company cars, but it was never possible to confine such a tax so narrowly.

Mr Douglas proposes to tax employers on "employer-provided" (not company) cars; to tax low-interest loans; and to tax free, subsidised or discounted goods and services "where administratively practicable" (who decides that?).

Such a move will touch not just the executive suite but the shop floor and the office desk, and will provide a form of equity which some of the people

grousing about company cars probably did not expect. The minister has opened a can of worms containing rather more coils than he and many others may yet have realised.

Mr Douglas will be widely applauded for reducing tax to help New Zealand into the computer age, and his rollback of the taxes on records, tapes, cosmetics, caravans and boats will not go unnoticed. And the absence of several predicted moves that could have harmed investment show common sense.

This is an exceptionally meaty budget, and some of its effects may not be immediately apparent. The community will need to have a good look at it and debate it thoroughly as soon as possible.

Unions Will Rethink Wages

Wellington THE EVENING POST in English 9 Nov 84 p 1

[Article by Penny Harding]

[Text] The Federation of Labour will have to push its wage guideline figure "significantly upwards" after last night's budget, said Fol executive member Mr Rob Campbell.

Mr Campbell would not reveal what the figure would have to be, but he said it was no secret that the Fol had been looking at double-figures before the budget.

He said he would be arguing at a Fol executive meeting next Tuesday that the figure would have to undergo a "quite significant upwards movement."

Percentages

It is understood that before the budget the Fol was arguing for a wage guideline of between 12 and 14 percent to the employers' 4 to 5 percent.

The next meeting of the tripartite group looking at a guideline for December's wage round is set down for Thursday of next week. However papers are circulating at the moment between unions, employers and the Government, obviously trying to close the gap between the figures.

Mr Campbell was very critical of the budget where Fol president Mr Jim Knox and Combined State Unions chairman Mr Ron Burgess have responded with more caution.

Mr Campbell, secretary of the Distribution Unions, said the budget completely contradicted the economic policy agreed on between the unions and the Labour Party in placing excessive emphasis on market forces and user pays principles.

"The specific moves that have been made will place very high additional pressure on the wage round," he said. Mr Campbell said there was nothing

in the budget to offset the wage round. He criticised the family care allowance as an attempted subsidy to employers.

"In my view workers have got a right to get a fair living wage from their wage earnings without welfare handouts. In fact if the family benefit had simply been restored to the level that prevailed in the 1960s, it would have been worth more money to families.

"All that has been done is to partly restore the family benefit and to make a large chunk of it means tested," Mr Campbell said.

Mr Knox said the impact of the budget measures would be to raise the cost of living. He said the FoL would be analysing the implications of the measures on wage bargaining today.

Mr Knox said the FoL would not be releasing what figure it would push for as a wage guideline. That would be taken to the next tripartite meeting.

"If the employers and the Government think that they are going to resist any wage claims in the wage guidelines...then they better have another look at it," he said.

CS0: 4200/259

ARTICLES REPORT RESERVE BANK FIGURES ON DEBT GROWTH

Devaluation Boosts Debt 36 Percent

Christchurch THE PRESS in English 6 Nov 84 p 1

[Article by Michael Hannah]

[Text] Devaluation pushed New Zealand's overseas debt up more than \$3500 million, or 36 per cent, between July and September, according to Reserve Bank figures.

Acknowledging that the increase in the three months was large, the bank has published figures showing the overseas debt rose from \$9875.2 million in June to \$13,437.6 million in September.

The figures did not include debts owed by Government corporations, which increased \$855.6 million, or 29 per cent, to \$3782.8 million in September. The corporations affected are New Zealand Railways, Air New Zealand, the Shipping Corporation, New Zealand Steel Development, Petrocorp, the Development Finance Corporation, New Zealand Synthetic Fuels, and the National Provident Fund.

Nor did the figures include short-term liabilities charged to the Reserve Bank, amounting to \$400.4 million in September, and \$542.5 million in June.

"This large increase in the New Zealand dollar value of the overseas debt is a direct result of the devaluation," the bank said.

It also released figures showing that New Zealand's official overseas reserves fell \$700 million during September, to \$1956 million at the end of the month. This was a drop of 26 per cent.

Overseas Exchange Debt Deeper

Christchurch THE PRESS in English 6 Nov 84 p 6

[Article by Michael Hannah]

[Text] New Zealand's overseas exchange accounts sunk \$1224 million deeper into the red, reaching a deficit of almost \$2002 million in the year to the end of September.

Reserve Bank figures showed a deficit on the overseas exchange transactions of \$2001.6 million, compared with a deficit of \$778.2 million in September, last year.

Big increases in invisibles payments, particularly on freight charges on exports, travel costs, overseas expenses of New Zealand firms, interest and investment payments, and interest on official debt contributed most to the increased deficit.

On export and import trade alone, New Zealand recorded a surplus of \$517.7M in the year, but this was wiped out by a deficit of \$2519.3M on invisible transactions.

Figures from the Reserve Bank show a big increase in returns on non-traditional exports contributed to a rise of \$592.4M to \$8168.2M in export income.

Manufactured export receipts rose \$317.8M, or 23 per cent, to \$1688M, making them the second biggest earner behind meat (up 0.8 per cent to \$1892.5M), and ahead of dairy products (down 11 per cent to \$1417.8M) and wool (up 4 per cent to \$1130.9M).

Primary products other than meat, wool, dairy, forest and other animal exports, also rose significantly by \$237M or 47.5 per cent.

As well as export receipts of more than \$8 billion, New Zealand received other current receipts of \$2484M (up 20 per cent), and capital receipts of \$5047.6M bringing the country's total receipts to \$15,699.8M, a rise of 18 per cent.

Import payments rose \$1442.7M or 23 per cent to \$7650.5M. Together with other current payments of \$5003.3M (up 18.5 per cent), and capital payments of \$2273.6M, the country paid a total of \$14,927.4M, an increase of 17 per cent.

On these transactions a surplus of \$517.7M was shown.

However, a different picture was shown on invisible transactions, which cover mainly transport, insurance and interest costs.

Receipts of \$2482.5M were recorded on invisibles, a rise of \$409M, or 20 per cent, in the year.

But this was taken up by increases in freight payments on exports (up 36 per cent to \$608.3M), travel costs (up 23 per cent to \$819M), overseas expenses of New Zealand firms (up 25 per cent to \$747.3M), and interest and investment income payments (up 16 per cent to \$571.9M).

Interest payments on official debt rose 19 per cent to \$833.2M bringing total payments on invisibles to \$5003.2M, a rise of 18.5 per cent in the year.

CSO: 42/00/759

PAPER VIEWS AUSTRALIAN ANTINUCLEAR ACTIVITIES, IMPLICATIONS

Christchurch THE PRESS in English 8 Nov 84 p 20

[Editorial: "Nuclear Issues in Australia"]

[Text] Comments in the last two days from the Australian Prime Minister, Mr Hawke, and from the Australian Foreign Minister, Mr Hayden, have demonstrated that the nuclear issue in the Australian election is still alive. The obvious way in which to raise it was to introduce the New Zealand Government's decision to ban visits of nuclear-powered and nuclear-armed ships to New Zealand ports. This has been seen as a threat to A.N.Z.U.S., despite the determination of the New Zealand Government to make the bans compatible with A.N.Z.U.S. The long-standing nuclear issue in Australia has been the mining of uranium. However, the Australian Government had decided to press ahead with some mining and, alive as the issue remained on the Left of the Australian Labour Party, uranium mining by itself was unlikely to become a central issue of the election campaign.

The nuclear ships ban imposed by New Zealand was commented on during the first day of the official election campaign by the leader of the Liberal Party, Mr Andrew Peacock, who said that a Coalition Government would give New Zealand three months in which to change its mind and then begin negotiations for a United States-Australia treaty. Mr Peacock is somewhat desperate to find an issue of substance in the campaign, and he may have been casting around for possibilities rather than being adamant about how an Australian Coalition Government would treat New Zealand. The Australian Labour Government has been a model of good sense over the issue and regarded it as a problem between the United States and New Zealand. There was a chance for grandstanding--showing the most junior of the A.N.Z.U.S. partners the correct way to behave--and there was a risk that the Coalition could have scored political points against the Government, but the Australian Labour Party resisted the temptation to reply in kind. There was an element of fraternity between the Labour Governments--and more than a trace of sophistication on the part of the Australian Government.

Nuclear issues were also raised by the Australian Democrats, whose power is considerable in the Senate, not because of their numbers but because of the fine balance of the parties in the Senate. Senator Don Chipp, leader of the Australian Democrats, was unable, because of throat surgery, to speak at the

beginning of the election campaign. His views on A.N.Z.U.S. were made clear by his holding up a note addressed to his deputy, Senator Colin Mason. In it, Senator Chipp said that A.N.Z.U.S. was now a nuclear treaty and a danger. Later, when Senator Chipp was able to speak, he voiced these assertions. The Australian Labour Party, which had hoped to gain control of the Senate, has been disturbed by the fact that a political party standing for nuclear disarmament had decided that it should give its second preference votes to the Australian Democrats. Such a move will not mean that the Australian Labour Party will lose the election, but it does mean that it seems more likely than ever that Labour will not get control of the Senate.

The statements by Mr Hawke and Mr Hayden are designed to demonstrate the Australian Labour Party's commitment to nuclear disarmament. Mr Hawke lectured the five nuclear Powers on reaching an accord on disarmament. Using an argument that could well be heard more frequently in future, he said that the nuclear-weapon States alone do not have the right to determine the destiny of mankind. Mr Hayden went further and argued that the mining of uranium and the existence of the American-Australian facilities in Australia helped Australia in its drive towards disarmament. He has used that argument before and this time tried to counter criticism by saying that the Government was not asking the community to love these means of working towards disarmament, but that they should be considered. The debate in Australia has reached a level of exchange that has yet to be reached in New Zealand. As consideration of the nuclear ship ban and the implications of belonging to A.N.Z.U.S. continue, many New Zealanders are going to need to ask themselves whether their true commitment is to disarmament or to gestures, and if it is to disarmament, how best that may be achieved.

CSO: 4200/259

ENERGY MINISTRY REPORTS ON COAL SUBSIDY

Wellington THE EVENING POST in English 7 Nov 84 p 8

[Text] Each tonne of coal sold from State Coal Mines carried a taxpayer subsidy of \$12.17, according to the annual report of the Ministry of Energy.

Increases in the price of coal to recover the actual cost of production are strongly tipped in Thursday's budget--the reasons are clear in the ministry's report for the year ended March 31, 1984, presented to Parliament yesterday.

In the year ended September 1983 State Coal Mines recorded a deficit of \$20.3 million, an increase of \$4.7 million (30 percent) over the previous year.

While sales from state mines increased by \$7.1 million (14 percent) production costs rose 16 percent or \$10.7 million.

Differential

Sales also increased by 10 percent but so did sales and working expenses, leaving a "very small increased net profit."

"Although sales volume increased by 7 percent to 1.69 million tonnes the average price obtained for each tonne sold was only \$48.42 compared with total expenses of \$60.59 per tonne sold," the report says.

The ministry blames the shortfall of \$12.17 on increased production costs, together with coal prices being held since April 1, 1982.

The State Coal Mines had an accumulated deficit of \$60.2 million, the report says.

Delay

However, the State Coal Mines did recover money from its fellow in the Ministry of Energy, the Electricity Division, for costs relative to the premature development of the Huntly West No 1 coal mine.

The Huntly West mine was built to meet a demand of around 800,000 tonnes of coal a year by 1978-79, the report says.

"The three year delay in commissioning Huntly power station has been a major factor in the need for State Coal Mines to finance by borrowing the interest charges for the capital work involved in the Huntly West mine," the ministry says.

The Government agreed to the Electricity Division reimbursing the State Coal Mines with \$28,671,031 provided State Coal Mines used the money to repay some of its debts to Loans Account.

The effect of the reimbursement shows up in the State Coal Mines accounts for the six months to March 1984. (The ministry has changed its balance date from September 30 to March 31 to fit in with other Government department balance dates.)

For the six months to March 1984 State Coal Mines recorded a surplus of \$4.1 million after the provision of \$20.3 million reimbursement from the Electricity Division.

Before including that extraordinary item State Coal Mines recorded a deficit of \$16.2 million.

"The main reasons for the deficit are the increasing interest charges and coal prices held below the cost of mining," the report says.

Subsidies to encourage the use of alternative fuels in motor vehicles cost the Government more than \$28 million last financial year.

Payments under the alternative fuels vehicle conversion loan scheme to encourage conversion to compressed natural gas (cng) or liquified petroleum gas (lpg) in the year to March 31, 1984, totalled more than \$18.5 million, according to the annual report of the Ministry of Energy, tabled in Parliament yesterday.

A further \$2.9 million was spent under the cng conversion kit grant scheme.

Loans for the establishment of lpg and cng filling stations were also substantial the report shows.

Grants

Grants through the cng refuelling station development grant scheme totalled more than \$3.3 million, with 125 public and 46 private cng filling stations in use and another 60 being developed or expanded at March 31, 1984.

For lpg there were 170 public filling stations and \$3.5 million paid out through the lpg filling station development grant scheme.

During the year about 18,900 vehicles were converted to cng, giving a total of 55,200 cng vehicles in use with the target of 200,000 by the end of 1990. The number of vehicles on lpg was about 8,000, the report said.

CSO: 4/00/759

CROP, LIVELIHOOD LOSSES IN MILLIONS AFTER HAIL

Auckland THE NEW ZEALAND HERALD in English 5 Nov 84 p. 1

[Text] Giant hailstones and vicious winds cut a kilometre-wide swath from Waimauku to Taupaki early yesterday morning, devastating crops worth millions of dollars and threatening many growers' livelihoods.

An electrical storm swept south-east through the Huapai Valley towards West Auckland from about 2 am, demolishing buildings, stripping foliage and damaging almost every fruit in its path.

For many growers, the storm wiped out not only all of this year's income but also next year's because of the damage to vines and trees as well as the foliage and fruit.

Ministry of Agriculture and Fisheries officers and Rural Bank staff will visit the area today to assess the damage and report on ways the Government can help to keep some growers afloat over the next two years.

Pickers

The storm has also wiped out many seasonal picking jobs for students and West Auckland housewives trying to supplement their incomes.

The damage to hundreds of hectares of vineyards and kiwifruit orchards was so extensive that even regular jobs may be threatened.

Many growers believed they were hit by a cyclone or tornado, with the wind causing almost as much damage as hailstones the size of 10c pieces.

But the Weather Office reported only a swift-moving cold front with very unstable conditions following it, causing isolated thunderstorms between 2 and 3 am.

The maximum wind in Auckland city was 27 knots.

Lightning

The lightning lit up much of the Auckland region, and some early-morning motorists were forced to stop and take shelter from the hail.

The hailstones created so much noise that a Huapal market gardener, Mr Ross Ardern, did not hear the wind pick up his 650 sq m glasshouse and smash it down about four metres away.

It must have been a tornado or something," he said. "There is no way hail would do that."

Trimmed

The glasshouse and heating system would cost about \$50,000 to replace, but was not insured to that level. Mr Ardern also lost between \$5,000 and \$10,000 in cucumbers, which he had just started picking.

Another glasshouse a few metres away from the first had only a few smashed panes of glass. A row of macrocarpa trees on the next property "looked like hedgetrimmers had gone through them."

Mr Ardern said he discovered the glasshouse was smashed at about 2.30 am. "I thought it looked a bit lower than usual."

The power was out for about seven hours, so there was little else to do until dawn but have a few beers by candlelight and joke about not having to paint the glasshouse after all.

Vineyards in the trail of the storm looked as though a swarm of locusts had passed through, removing all spring foliage.

The general manager of Nobile Vinters, Mr Nick Nobile, said the entire red wine crop at their main Huapal growing block was destroyed--about 30 per cent of the company's grape supply.

Scrap

Nobile's cabernet sauvignon, pinot noir and pinotage wines would be scarce in 1987 because of the destruction of the budding grapes, which would have been worth about \$200,000.

Damage to the vines would severely put back production for a further year.

Recently planted young vines would take two years to come away, Mr Nobile said.

Other victims, Caspers' Creek and San Martin vineyards were also among those badly hit.

Seizing

The chairman of the New Zealand Wine Institute, Mr Mike Brackley, arrived back at his San Martin vineyard yesterday after winning a gold medal in the national wine competition for 1986 and in the 1987 vintage.

The winegrowers will meet this afternoon to discuss the effects of the flood and steps to cope with it.

Many kiwifruit growers will have no means to pay off heavy mortgages. One of the worst hit lost an expected 10,000 trays valued at \$8 each.

Fourteen pip and stone orchards were affected. Apple and Pear growers were believed to be the only growers with any insurance.

CSO: 4200/259

FURTHER REPORT ON NPA-BMA CLASH IN MINDANAO

Manila PHILIPPINES DAILY EXPRESS in English 5 Nov 84 pp 1, 3

[Excerpt] DAVAO CITY--Two terrorist groups--the New People's Army and the Bangsa Moro Army--clashed over a gold-rich area in Pantukan, Davao del Norte, last Thursday, resulting in the death of nine terrorists.

Military authorities said eight of those killed were NPA members. One of them was identified as Claudio Tapalog, 21.

The lone BMA casualty was identified as Amir Moro, 23. He and Tapalog died on the way to the Christ the King Hospital in Tagum.

Col. Patrick C. Madayag, Davao del Norte PC-INP provincial commander, said the NPA group is led by a certain Commander "Wing."

He said another NPA member, Ronilo Bartiquin, 16, was brought to the hospital for treatment of gunshot wounds after his companions left him for dead.

Bartiquin told Madayag they were patrolling the gold-rich barangay of Buringot in Pantukan Thursday afternoon when the Muslim terrorists surprised them.

He said that although they were outnumbered, they engaged the BMA members who were carrying far more superior arms in a one-hour gunbattle.

He added his companions retreated towards a forested area in San Mariano after sustaining heavy casualties, bringing with them some of the wounded.

Thursday's gunfight was the third between the NPA and BMA terrorists in five months, Madayag said.

In the first and second clashes, also in Pantukan, it was the NPA band that inflicted heavy casualties on the BMA, he added.

Davao City--Four New People's Army terrorists, including a commander were killed while a Constabulary soldier was critically wounded during a clash in sitio Cati-an barangay Naboc in Monkayo, Davao del Norte, Thursday afternoon.

Lt. Artemio Hieban, commanding officer of the 459th P.C. company, identified the slain rebels as Commander Ricky, Jun Solarte, 23, Candido Tagab, 21, and another one known only as Ruben.

Taken to the Davao Medical Center in Davao City for treatment of gunshot wounds was Sgt. Jose Salvador.

Tacloban City--Four of six armed men reportedly linked to the killing of a prominent lawyer in Sta. Rita, Western Samar were slain in a clash with troopers at barangay Malobago, Babatngon, Leyte on All Saints Day.

Col. Jorge Almaden, Western Samar PC commander, identified the dead as Ruben Espino, Leuterio Lacambra, Rogelio Semera and a certain Bugoy Egana.

Butuan City--Five members of the NEW PEOPLE's Army, including three NPA leaders, and four government troopers were killed while six of the dissidents and eight army soldiers were seriously wounded in six separate clashes this week.

Brig. Gen. Madrino Munoz, RUC 10 commander, said three ranking NPA leaders, including a Sparrow unit commander, and six other rebels were seriously wounded in a clash between PC-INP patrol crew and some 50 NPAs at barangay Calgunoy, Gingoog City.

Slain NPA leaders were identified as Rolando Anon, Front 4 commander and commander. Anastacia Baal, alias Kumander Harin; and kumander Pia Felicidad.

CSO: 4200/223

PC OFFICER REPORTS NPA 'TERRORISTIC' ACTIVITIES IN ILOCOS

Manila BULLETIN TODAY in English 29 Nov 84 p 14

[Article by Milton P. Pascua]

[Text]

CAMP ELPIDIO QUIRINO, Ilocos Sur — People in the interior towns of this province have been living in fear as a result of the intensified terroristic and harassment activities of the New People's Army

(NPA), it was reported.

Lt. Col. Roy P. Alzate, Ilocos Sur Constabulary commander, said that during the last four months, NPA terrorists

liquidated 14 persons, mostly farmers and barangay officials in the province's interior municipalities, for their refusal to provide food to the dissidents.

Alzate said, that aside from their terroristic activities, the NPA rebels are also harassing business establishments. They attacked recently Benguet Consolidated mining camp in sitio Balingay, Cervantes, Ilocos Sur, and they carted away office equipment and assorted supplies.

Alzate identified two of the barangay officials liquidated by the dissidents as Ricardo Marquez Gonzales of San Antonio, Sta. Cruz, and Jose Olag of Amilongan, Alilem.

Both of them were reportedly fetched from

their houses by the terrorists who were wearing military uniforms.

The two barangay officials were killed by a group of terrorists led by a certain "Ka Daren," "Ka Lee" and "Ka Mar," he said.

The dissidents have resorted to harassing local officials and farmers who refused to give in to their demands for food ration and the collection of "taxes," Alzate said.

Only recently, two PC detachments in Suyo and Pidpid, Sta. Cruz, were attacked. This resulted in the death of two government troopers, Sgt. Fernando and C2C Garlitos.

The Constabulary command reported the recent capture of a ranking NPA officer, a certain Simon Pislao, 48 alias "Ka Sablot" who has a prize of P55,000 for his head.

CSO: 4200/267

DAVAO DEL NORTE, SAMAR NPA ENCOUNTERS

Manila BULLETIN TODAY in English 2 Dec 84 p 12

[Text]

Six government troopers and five rebels were killed in attacks on an Army camp, a town hall, and a military convoy in Davao del Norte and Samar Thursday and yesterday.

Maj. Gen. Josephus Q.

Ramas, Army commanding general disclosed the attacks yesterday after receiving reports from field commanders in Mindanao and Samar.

In a report to Ramas, Capt. Oscar Atienza, 3rd Infantry Battalion commander, said three NPAs were killed while eight others were seriously wounded and captured when Army troopers repelled an attack by suspected New People's Army (NPA) members in their attempt to capture the camp of Task Force "Bravo" under the 3rd IB in Bongabong, Davao del Norte.

In Pantukan, Davao del Norte, two policemen were killed while the Davao del Norte PC-INP assistant commander and four others were wounded when they were ambushed by suspected NPA rebels while in a military convoy yesterday.

Capt. Atienza said some 100 NPAs in military fatigue uniforms aboard two dump trucks attacked the Bravo camp. Thursday killing

first the post guard and swiftly staged the raid.

But about 30 troopers in the camp, Atienza said, quickly maneuvered and successfully repelled the NPA men.

The firefight raged for 30 minutes, after which the attackers withdrew to Upper Magpaluway, leaving behind their dead, Atienza said.

Two teams under 2nd Lt. Jerry Ganaban of Mangga detachment some two kilometers away from the Bravo camp reinforced the outnumbered camp soldiers in time to repulse the rebels.

The reinforcements pursued the fleeing dissidents and captured eight men who were wounded.

Atienza said that more dissidents may have been killed and wounded because of bloodstains found along their route of withdrawal.

Atienza said four of his men were killed in the clash. They were Cpl. Albert Nawdine, Pfc. Armando Alonza, Pfc. Felix Dimaano and draftee Carlito Lacoraa.

Four other soldiers were wounded during the fight. They were identified as Cpl. Hernando Espino, Cpl. Norberto Lanting and draftees Reynaldo Aragon and Ortanes Sison.

The government troops recovered from the scene of encounter three long magazines for M 16 Armalite rifle, Garand clip with several rounds of live ammunition and a field jacket with the name-cloth bearing the name of Sgt. Pineda, a PC soldier.

In Eastern Samar, the Lawaan municipal building was attacked by undetermined number of NPAs but Army troopers and policemen fought the attackers for one hour, killing two of them.

No casualty was suffered on the government side.

The NPA rebels fled after the attack towards a forested area.

TAGUM, Davao del Norte — A three vehicle military convoy on peace mission was ambushed by some 50 armed men believed to be New People's Army (NPA) rebels along the national road in barangay Tagdanun, Pantukan town, this province

at about 10:45 a.m. yesterday, resulting in the death of two policemen and the wounding of a civilian and two soldiers, including the assistant PC-INP provincial commander here.

The fatalities were identified as Patrolman Norberto Rustia Jr., 28, and Virgilio Balladares, 26, both of the Pantukan police station.

Rustia died on the spot while Balladares died on arrival at the Davao Medical Center in Davao City.

Wounded were Maj. Palawan Macadintang, Davao del Norte, assistant PC-INP commander, T Sgt. Geoffrey Doming, T Sgt. Alfredo Dayro, Pat. Julito Aguan, 23, and Jimmy Macadindang, a civilian. They were taken to the Davao del Norte Regional Hospital.

Col. Patrick G. Madayag, PC-INP provincial commander here, who led a reinforcement team of PC solders and ranger troopers, said the victims were aboard a military jeep, together with an armored car and a weapons carrier on their way to peace talks at the Poblacion, Pantukan town, when fired upon by rebels deployed on both sides of the road.

The fight lasted 30 minutes. The rebels withdrew upon the

arrival of reinforcements. (Ed Velasco)

ZAMBOANGA CITY

One person was killed and 10 others were wounded, most of them members of the Active Counter Terrorist Sector (ACTS) militia, when an unidentified person lobbed either a hand grenade or home-made bomb at them yesterday.

The ACTS members were holding a meeting at their organization's detachment located on La Purissima and T. Claudio streets in this city when the incident occurred.

ACTS is a group of civilian volunteers working with the Army Internal Defense Command here in maintaining peace and order.

Dead on arrival at the Zamboanga General Hospital was Louie Atang, 20, student of a local college. Wounded were ACTS Commander Orlando Toribio, Expedito Marquez Jr., Samuel Tan Natividad Buscas, Jaime Bella, Oscar Ambang, Paulino Ramos, Cesar Austria, Roberto Sanga, and Mercy Table.

As of presstime, there was still sporadic fighting in the city. Reinforcement teams from the Internal Defense Command arrived (Vic Arevalo).

CONTROVERSY OVER MILITARY APPOINTMENTS IN GOVERNMENT CONTINUES

Manila BULLETIN TODAY in English 29 Nov 84 p 10

[Text]

The Armed Forces defended yesterday the assignment of military officers and soldiers in various civilian offices of the government.

The military made the justification as the Lapiang Manggagawa (LM), which had earlier urged the recall of the AFP officers, asked Lt Gen Fidel V. Ramos, acting AFP chief of staff, to disclose to the public the number of military men occupying civilian positions.

In a letter to Jose Malvar Villegas Jr., LM secretary-general, Brig Gen Catalino Villanueva, AFP deputy chief of staff for personnel (J-1), explained that the detail of military personnel with government bureaus and agencies was never meant to militarize the civilian government service.

"The detail of military personnel with civil agencies of government is mutually advantageous to both the organ- ized civilian agencies and the military establishments," Villanueva stressed.

Villegas had earlier urged President Marcos to recall all military personnel in civilian government offices to

allay fears that a military government is being established.

Villanueva said that under Executive Order No. 40 dated Sept. 2, 1986, the President may assign or detail military personnel with civilian offices provided that the assignment or detail will not exceed five percent of the number of AFP officers and two percent of the enlisted men strength of the AFP.

During martial law, military personnel in civilian offices of government, including highly sensitive revenue earning offices, totalled more than a battalion.

When martial law was lifted last Jan. 17, 1981, the President ordered the gradual recall of the military officers and from their civilian positions.

Villanueva said that 23 AFP officers and 72 enlisted personnel have been recalled from their civilian positions.

Villanueva said that the AFP officers and men whose services or expertise are needed in the civilian agencies of the government may resign from the AFP and stay put in their civilian positions.

civilian officials or employees.

In asking General Ramos to disclose the number of AFP officers occupying civilian positions, Villegas said that this would demonstrate that the assignments have become "mutually advantageous to the agencies concerned and the military."

Villegas said that the purpose of the proposed phaseout of military officers from civilian offices is to avoid friction between the military and civilian personnel.

He said that the detail of military men into government offices usually brings about demoralization in the ranks of the civilian employees "who feel that they are being left out of promotions and benefits due them in accordance with the Civil Service Law."

Villegas said that most of the military officers with government assignments are receiving their regular pay from the AFP and draw allowances from the offices with which they are detailed. The practice is far from being advantageous to the public, he pointed out.

MINDORO ROTARY CLUB SUPPORTS NAMFREL IN PUBLIC RALLY

Calapan THE ISLAND OBSERVER in English 22-29 Oct 84 pp 1, 2

[Text]

CALAPAN, Mindoro Oriental — The Rotary Club of Calapan headed by President Rody Carticiano expressed its support to

NAMFREL's Citizens Rally to be held at the public plaza on Oct. 26.

The Rotary club, during its meeting last Wednesday (Oct. 17), has decided to participate in the rally with all members wearing T-shirt with the insignia of Rotary International.

The club's decision to participate was in response to the appeal of Mario S. Romero, NAMFREL provincial coordinator, for the local Rotarians to join and participate in the Citizens Rally as a manifestation of their support to what he described as basic and crucial issues, as follows: 1) The restoration of NAMFREL as citizen arm of the COMELEC; 2) The enact-

ment of a new Election Code; 3) Support of teacher's demand for pay increase; and 4) For a plebiscite on Amendment No. 6.

Romero, who was the guest of the Rotarians during their Oct. 17 meeting, indicated that the Citizens Rally has the support of the Association of Concerned Teachers (ACT) based in Calapan, the Samahang Kabataang Mindoreno (SKM), students from the local school and some members of known organizations in town who opted to participate individually.

According to NAMFREL's provincial coordinator, the Citizens Rally has a permit issued by Calapan Mayor Cesario M. Cueto

LOCAL IBP SEEKS PUBLIC SUPPORT AGAINST AMENDMENT C

Calapan THE ISLAND OBSERVER in English 5-17 Nov 84 pp 1, 2

(Text) CALAPAN, Mindoro--The president of the local chapter of the Integrated Bar of the Philippines (IBP) has appealed to the people to support a movement seeking that Amendment No. 6 which gives legislative powers to Pres. Marcos be submitted to the people in a plebiscite.

Lawyer I. Renato V. Leviste made the appeal while addressing the Citizens Rally sponsored by NAMFREL at the public plaza here last Oct. 26.

Leviste observed that the President and his ruling party (KBL) are insisting that Amendment No. 6 is necessary but the opposition and many sectors of the citizenry want it repealed. To put an end to this controversy, Leviste said, it is but proper and urgent that the citizenry be made to decide in a plebiscite.

The rally, headed by Mario S. Romero, NAMFREL provincial coordinator and participated by students, teachers and professionals, began with a march starting from the Divine Word College of Calapan. A mass officiated by Fr. Manoy Belido, preceded the program of the plaza.

Four other speakers took turns tackling separate but equally crucial issues.

Retired division supervisor Virgilio Yumang and Leonardo Landicho, a classroom teacher, battled for the increase of salaries of teachers whom they described as the most neglected professionals in the country.

Both Yumang and Landicho pointed out that the teachers are the instrument of youth and citizen formation and also the official guardian of the ballot being the chairman of the Citizens Election Committee and yet their salaries are below poverty level.

"It's about time that the government will raise their pay to a level of just compensation," they declared.

Lawyer Dante Manzo urged the citizenry to press for their demands by having a new election code that will govern all future elections with adequate safeguards against frauds.

Manzo said that it is important that we have an election code this early stage so that new voters can be registered and vote in the coming elections.

Speaking in behalf of the youth sector, Dennis Rala strongly criticized the President for being dictatorial by exercising not only executive but legislative powers as well under Amendment No. 6.

According to Cesar N. Sarino, deputy secretary-general of NAMFREL who represented Jose Concepcion, national chairman, the Citizens Rally were held nationwide to show public support to the re-accreditation of NAMFREL as the citizen arm of the Comelec, the enactment of the new election and independence in the discharge of their duties and the submission of Amendment No. 6 to the people in a plebiscite.

Sarino described these four issues as basic and crucial that the people has to stand up now and be counted if they are to exercise their sovereign power.

A noted practicing physician, Jose O. Prieta Jr., capped the event by extolling NAMFREL for its efforts during the last Batasan election and for continuing the laudable cause for which NAMFREL is committed.

He strongly urged the public to help NAMFREL in having its accreditation back and support its mission in working together with other cause-oriented and broad-based movements, for a government more responsive and accountable to the people.

Dr. Prieta expressed regrets why the Comelec has to withdraw the deputization of NAMFREL as its citizen arm in spite of its 'satisfactory performance' in the May 14 Batasan election as described by no less than Comelec Chairman Vicente Santiago himself.

"We are now confronted with too many difficult issues and we can make the difference in resolving these issues. For ordinary citizens acting together in a common cause are the real force to contend with in shaping the destiny of our country," Dr. Prieta said.

Dr. Prieta pointed out that NAMFREL as an instrument of people's power can be the force for nation-building and change and that NAMFREL cannot fail because it draws its support and strength from the people whose motive is not personal or political but for the love of country.

MINDORO PAPER SUPPORTS CHURCH OPPOSITION TO REGIM

Mendiola Bridge, Catholic Bldg.

Calapan THE ISLAND OBSERVER in English 22-29 Oct 85 - 2

[Editorial: "The Most Controversial Bridge"]

[Text] BRIDGES usually become impassable when destroyed by floods, earthquakes, typhoons and other natural forces, but the Mendiola Bridge is a different kind of bridge which has become impassable not due to the force of nature but by the force of arms.

For several times, demonstrators had negotiated with the military to pass this bridge just even one half of it but they were not allowed. What is there a pot of gold at the end of the bridge which the military tries to protect at all costs.

Before October 6 Malacanang announced that no permit shall be given to demonstrators but the pressure seemed so heavy and Malacanang condescended.

Demonstrators are now dubbed as 'Parliament on the Street'. Were the masses could express their thoughts and feelings aloud in the exercise of their constitutional rights to peaceful assembly. But the use of tear gas, truncheons and other brutal methods are inhuman and calls a moratorium for the protection of human life.

It seems Jaime Cardinal Sin is looked upon as hitting involved in these demonstrations as he magistrates in pursuit of peace and reconciliation.

Truly, there is a sharp separation between church and state but how true is that separation in a predominantly Roman Catholic country like the Philippines?

Are not the Catholic priests and even Jaime Cardinal Sin are called upon to officiate in the blessings of government projects. Also majority in the government are Catholics, and the demonstrators are largely Catholics.

Now, it appears that Malacanang Palace and the Palace of Cardinal Sin are at odds and the whole nation is eager to know which house if variance shall prevail.

The Manila La Bridge is still there, and "don't cross this bridge till you come to it." —Orville A. Adalia

Christian 'Quest for Justice'

Calapan [in] *ISLAND OBSERVER* in English 3-17 p. 84 pp 2, 7

[Editorial: "Christianity Without the Cross is Christianity Without a Cause"]

Great spectacles of 22 and 27 street demos and violent dispersals, province and city vehicle strikes, vehement opposition against the "unified field" technology, Mayon Volcano belching out smoke and lava of destruction, recurrent earthquakes, typhoons devastating cities and countryside, the dwindling purchasing power of the peso vis-a-vis the dollar and the consequent increasing value of lands and services, alleged apparitions of the Blessed Mother and her Crucified Son. These are some of such problems which even the most apathetic cannot ignore. These are problems arising both from natural (or supernatural?) causes and from human intervention and manipulation. With the present technology there is not much man can do as regards the former one. With the latter man's praying "Mahal na ang Diyos" is cowardly and presumptuous.

Faced with the latter predicaments, the ordinary Filipino looks at his situation with skepticism and despair. He is dismayed at the discrepancy between the promises and the actual accomplishments of his leaders. He runs to church leaders for solace. The priest is caught unprepared. He has been taught about the doctrine of the "two swords"—the sword of the state and that of the Church—sadly underscores the separation between the Church and the state. Yet, he disclaims that the distinction and the material realms is all too often thin to recognize. The two swords are wielded for the welfare for all; the same citizens comprise both the Church and the state.

While the priest or churchman knows that his calling commits him to a non-partisan position, he is likewise commissioned to take the role of the prophets of mere words and restore human dignity. Like Jesus who himself became a victim of man's inhumanity to man (Puebla 194), he is called to participate in redemption to man from exploitation, hunger, oppression. Problems arising from human manipulations bespeak of God weeping, struggling, suffering with his people (Mt. 26: 38-46). God appeals for an urgent response from His people.

On the other hand within the Church has been many-faceted and diverging. Some would restrict involvement to purely religious activities. The most extreme have taken the so-called ranks with rebels. The more clever hide behind the mantle of non-church and call their demonstrations, many times inappropriately, as "prayer rallies". The many moderates "do theology" in the streets together with the "unemployed of the street". To them, this is a desperate stand to be fought in the spirit of democratic rule and the gospel principle of peace. How effective this type stand would

The complexity is hardly amenable to becloud solutions. Two such issues are worth noting: (1) structural (2) attitudinal.

Structural issues are concerned with the very mechanisms or modes of organization of our society. Experience indicate that these have so developed through the years that the rich and powerful are favored at the expense of the less fortunate majority.

Behind structural issues are value or attitudinal systems which perpetuate unjust institutions. There are oppressive political systems, for instance, because many believe that power is for selfish ends reflecting what has many times been repeated, "What are we here in power for?". Similarly, many hang on the adage "Charity begins at home". But in all honesty, it also ends there. The much praised value of the Filipino which constitutes his strength is the family. Like a two-edged sword, it also is his because of the family--luxury homes and cars, dollars stashed away in foreign banks, expensive education abroad.

Structural and attitudinal issues co-penetrate each other; the solution of one to the exclusion of the other is futile. Demonstrations attract the cheers of oppositionists and opportunists, and arouse the jeers of the establishment, but long-lasting solutions cannot be hoped for if the same one-sided structures and selfish attitudes remain. Change may just involve a replacement of one tiger with a bigger one.

In the transformation of these two systems, structural and attitudinal, much room is open to every Christian and his community. Schools, communications and mass media, institutes are naturally equipped to play the role of attitudinal change agents. Christian communities may embark on continuous organizational self-renewal to improve the quality of life of members. Their influence could have 'ripple' effects on other organizations.

To be redemptive, the Christian response to the present situation must draw strength from the cross. The quest for justice and righteousness is the quest to uproot causes of injustice which lie in the hearts of men. It involves self-sacrifice. We must be ready to give without counting the cost. Joel Ll. Maribao, SVU.

CSO: 4/00/267

SECOND WAVE OF TAX 'REFORMS' READIED

Manila BULLETIN TODAY in English 29 Nov 84 p 22

[Text]

The government is now finalizing the second wave of tax reforms which will involve the sugar and coconut industry sectors.

Required by the International Monetary Fund, the tax reforms envisioned for the two industry sectors will not mean additional tax revenues but changes in collection and administration.

They are being drafted as part of the structural package for the sugar and coconut industries by two separate inter-agency committees created last March.

As required by the IMF, the second package of tax reforms should be ready by the end of the first quarter of 1985, assuming that the stand-by program with the Fund could get started by January. They should be imposed by the time of the first review by the Fund on the performance of the economy after the first quarter.

Sources in the committees said that the second tax package would involve a plan for lowering export taxes and substituting other taxes in activities thus far ex-

empt from taxation.

The sources said that the IMF wants all revenues from taxes diverted to the treasury after being collected by the Bureau of Internal Revenue.

They added that in the case of the sugar industry, the two percent processing tax is being collected by the Philippine Sugar Commission. Utilization of the proceeds is also appropriated by the Philsucom.

The same is true for certain taxes collected from the coconut industry which go to the Philippine Coconut Authority.

On the structural reforms also aimed at the two industries, the IMF and the World Bank are jointly formulating them.

These structural reforms would focus on eliminating pricing and marketing controls which the two agencies said "adversely affect" exports.

The government said that the reforms are part of the overall structural changes for the entire agriculture sector, which the WB provided a \$150 million last year and is to provide another \$100 million for agricultural credit this year.

BIR ASSURES IMF OF TAX REVENUE GOAL.

Manila BULLETIN TODAY in English 1 Dec 84 p 22

[Text] A five-man review mission of the International Monetary Fund (IMF) that assessed the revenue generating capacity and foreign trade earnings of the country has expressed satisfaction over various development projects of the government for its national economic recovery program.

Deputy Revenue Commissioner Romulo Villa said the mission, which left for the United States, said it was convinced of the strategies being implemented by the Bureau of Internal Revenue (BIR) in whittling down budgetary deficits by maximizing revenue collections.

Villa told the PNA that the BIR management was able to convince the IMF mission that the 100 million peso additional tax collections for 1984 suggested by the IMF could be met.

"We told the mission that we will be able to realize the goal," he said.

The IMF review mission also met with trade and industry officials led by Minister Roberto Ongpin on the possibility of increasing the country's earnings in export trade.

The National Economic and Development Authority (NEDA) had forecast that the country's foreign exchange earnings in commodity trade, including invisibles, would amount to 8.8 billion US dollars in the next three years.

CSO: 4200/267

RICE LOANS OFFERED AT 18-PERCENT INTEREST

Manila BULLETIN TODAY in English 29 Nov 84 p 23

[Text]

Rice farmers can get production loans from different government and private sources at a uniform 18 percent interest rate beginning early next month.

Jose Manlicmot, executive vice president of the Confederation of Rice and Corn Association (Confed), said yesterday Confed members will start advancing starting next week P3,000 worth of agricultural inputs to rice farmers who will participate in the government's intensified rice production program.

Agriculture Deputy Minister Orlando Sacay, meanwhile, said the budget ministry will definitely release a total of P162.5 million to the Philippine

National Bank before the end of the year for relending to rice and corn farmers.

This amount, Sacay said, is part of the P375 million that the budget ministry will release to PNB and rural banks, on orders of President Marcos, to renew lending to the agricultural sector.

Manlicmot said Confed officers agreed to immediately start giving advances to farmers in the form of agricultural inputs after they were told during a meeting with agriculture ministry officials that they can be assured of a six percent profit spread from their advances.

The move, Manlicmot added, will show their willingness to cooperate with gov-

ernment in the latter's drive to boost the country's rice production.

He said rice millers and traders are often blamed in the past for artificially manipulating prices and supply of rice and corn to exact profits during abnormal times.

The advances to be made by rice millers and traders will be reimbursed by banks participating in the government's intensified rice production program.

The payment of farmers in the form of rice corresponding to the P3,000 per hectare advances of millers will then be sold by millers to the National Food Authority at a price which will still be negotiated between the two par-

ties, Manlicmot said.

Rice to be bought from millers by NFA will then be used by the latter to beef up its buffer stocks, Manlicmot added.

In a related development, NFA is set to intensify starting this week its procurement of palay from farmers in different regions as harvest continues, Ramon de Jesus, NFA director for domestic grains marketing, said.

He said NFA was buying palay from farmers at the rate of 20,000 cavans a day in Central Luzon last week.

He added that NFA is still buying palay significantly below the 15 percent target procurement of marketable surplus. (JC Concepcion)

CSO: 4200/267

COCONUT, SUGAR INDUSTRY TO GET AID; MONOPOLIES TO GO

Manila BULLETIN TODAY in English 1 Dec 84 p 22

[Text] The National Economic Development Authority (NEDA) will rationalize different sectors in the economy as part of the structural adjustments aimed at attaining a more balanced agro-industrial development, NEDA deputy director general Ramon B. Cardenas said.

Cardenas said that agriculture will be the focus of such rationalization with particular emphasis on the coconut and sugar industries, two of the country's top traditional exports.

At the same time, he said, government is committed to liberalizing trade in the agriculture sector, adding that trade monopolies would be gradually removed.

Cardenas said improving the country's capability to earn foreign exchange by tapping agriculture export products will be done to complement tariff liberalization in the import sector.

He cited that for agriculture, government is identifying cash crops and commodity exports that will be assisted to accelerate the pace of agricultural development and improve productivity in the sector. Among the products earlier identified were white beans and tropical fruits.

An extensive policy review of the coconut and sugar industries is also being undertaken by two inter-agency committees. The teams are analyzing existing conditions in the two industries in order to recommend appropriate policies in enhancing the overall contribution of the two commodities to the national economy.

An industry revitalization program will then be submitted to implement broad policy measures which in turn will serve as key inputs to the overall agricultural program of action and the updating of the Philippine Development Plan for 1984-87.

Part of the agricultural development program is the drawing up of a separate investments incentive package to attract the private sector. The Board of Investments (BOI) is preparing the package together with the Ministry of Agriculture after it has been observed that investments in the sector has

considerably decreased compared with manufacturing, mining and construction industries.

Cardenas said the recent lifting of the price control mechanism is one of the adjustments laid down in making agriculture profitable to the private sector.

On the import side, Cardenas said floating of the peso against the US dollar would act as a natural dampener to contain cash outflows.

While the government pursues a tariff liberalization program, Cardenas said domestic industries will be revitalized to make them efficient and compete more effectively in the world market.

CSO: 4200/267

NPA 'INVISIBLE GOVERNMENT' HELPS BATAAN FARMERS

Manila BULLETIN TODAY in English 3 Dec 84 p 14

[Article by Efren P. Molina]

[Text] **BALANGA, Bataan**

— Lt. Col. Wenceslao A. Cruz, commander of the 8th Philippine Marines Battalion, said the communist terrorists have allegedly established "invisible government" in the barangays through psychological operation.

He made the revelation in a report in yesterday's meeting of

the Bataan Municipal Mayors' League led by its president, Mayor Jose C. Payumo Jr., at the Kinatawan building in Balanga.

Gov. Efren B. Pascual and Brig. Gen. Jose P. Magno Jr., commander

of the Regional Unified Command in Central Luzon, were at the meeting. Maj. Jose M. Hermogenes Jr., assistant Bataan PC-INP commander, represented the Bataan PC command.

Col. Cruz said the communist terrorists have been helping the farmers even to the extent of baby-sitting and doing errands for them. He said this kind of approach is being done in a determined bid to win public support.

In appealing for support of the mayors, Magno said that unless the civilian authorities put up a common stand against communist insurgency, Bataan will find herself in trouble sooner than expected.

Magno said "we need

the concerted effort of the civil authorities and the military in an all-out campaign against the alarming rise of communist insurgency not only in Bataan but also in the entire Central Luzon."

He said the Communist Party of the Philippines (CPP), backed by the New People's Army (NPA), has started infiltrating the barangays, churches, demonstrations or rallies and the youth sector to enlist more members.

The RUC 3 commander said the ultimate aim of Communism is to overthrow the present set-up of government by discrediting the military and taking advantage of the present economic situation.

On his part, Pascual urged the mayors to help in the campaign against communist insurgency, saying the military cannot succeed in its fight against the rebels without the help of the civilian authorities.

CSO: 4200/267

MILITARY SOURCES VIEW PREM POWER BASE IN RTA

Bangkok WIWAT in Thai 20-26 Oct 84 pp 12-16

[Article: "Seventeen Regiments, 50 Battalions Form Prem's Base"]

[Text] It must be admitted that Gen Prem Tinsulanon, the prime minister, gained the top political position because of his power base in the military, especially among regimental commanders. Gen Kriangsak Chamanan, the previous prime minister, had to resign as prime minister, saying that he was doing so in order to "preserve democracy." This resulted when almost all CRMA [Chulachomklao Royal Military Academy] Class 7 officers who held important regimental command positions in the army at that time issued an ultimatum forcing Gen Kriangsak Chamanan to resign and exerting pressure on Gen Prem Tinsulanon, the then RTA CINC, to become the prime minister of Thailand.

This shows the importance of regimental commanders. And it was officers at this level who almost succeeded in delivering a severe blow to Gen Prem when those who had once supported his becoming prime minister staged an attempted coup d'etat during the period 1-3 April 1981. Even though the attempted coup by the young turks failed because of "institutional" weaknesses, the position of regimental commander became very important with respect to the balance of political-military power. In the past, only the positions of RTA CINC and army area commander were important with respect to this.

Prem-Athit, Each Has His Own Power Base

In the recent military reshuffle, Gen Athit Kamlangek, the RTA CINC, was able to maintain tight control over promotions to the position of army area commander. That is, Lt Gen Phichit Kunlawanit, Athit's right-hand man, became the commanding general of the First Army Area, Lt Gen Phisit Hemabut was made the commanding general of the Second Army Area and Lt Gen Thiep Kromsuriyasak and Lt Gen Wanchai Chitchamnong, fellow classmates from Army Preparatory School Class 5, were made the commanding generals of the third and fourth army areas respectively. At the level of army region, looking at the power base of Gen Prem, only the Special Warfare

Command seems to be leaning toward Gen Prem since the commander of this unit is Lt Gen Sunthon Khongsomphong, a member, along with Lt Gen Chawalit Yongchaiyut, of CRMA Class 1.

However, looking at the division level, which is considered to be a very important command level, in addition to the cavalry divisions, which are very loyal to Gen Prem, many of the divisional commanders in the infantry and other branches are CRMA Class 5 officers who are "Prem's men." And concerning Class 5 officers, as the movement to allow the young turks to return to government service grows stronger, Class 5 officers will automatically increase their support for Prem. And an important thing that is quite clear is that in playing the game recently, the right-hand man of Gen Athit made a big mistake. This has resulted in Gen Athit's power declining somewhat. In particular, many Class 5 officers immediately began questioning Gen Athit.

Regimental Commanders, Tied Firmly to Prem

The regimental commanders are very important links between the divisional commanders and the battalion commanders. The lessons of 1-3 April have shown that regimental commanders are the important spearheads in a rebellion.

At present, those officers who support Gen Athit are trying to make it seem as if the regimental commanders, most of whom are members of CRMA Class 8, support Gen Athit rather than Gen Prem. But at the same time, CRMA Class 5 officers confidently claim that at the regimental level, particularly with respect to CRMA Class 8, 85 percent of the regimental commanders support their side.

The appointment of regimental commanders has been completed. But unlike in previous years, Gen Athit informed those being transferred instead of publishing the names of those being transferred. However, a report from the army informed ATHIT-WIWAT that a complete list of those being transferred will be published next week.

From the list that ATHIT-WIWAT quietly compiled after the military reshuffle, it can be seen that very few people were transferred. And the list does not reveal any "new direction" at the regimental command level.

In the First Army Area, Col Amphon Sawetserani has been made the commander of the 11th Royal Guards Infantry Regiment in place of Col Phot Wattanaphudi, who was made the chief of staff at CRMA. The commanders of the 1st, 11th and 31st royal guards infantry regiments and the commander of the 21st Regiment (the Queen's Thahan Phran Irregulars) are all considered loyal to Lt Gen Phichit and Gen Athit. In particular, Col Banthit Malaiairun, the commander of the 1st Royal Guards Infantry Regiment, is considered to be the "heart."

However, a very important "variable" is the commander of the 1st Royal Guards Division, Maj Gen Isaraphong Nunphakdi (CRMA Class 5), who is the superior of these regimental commanders. The present balance of power could shift very easily.

In the Second Army Area, most of the regimental commanders are loyal to Gen Athit Kamlangek even though the Second Army Area was once the military base of Gen Prem Tinsulanon. Concerning this, a news source said that the key person for the regimental commanders who is trusted by Gen Athit is Col Rewat Bunthap (CRMA Class 13), the commander of the 23rd Infantry Regiment. This is an important infantry regiment that was once commanded by Gen Athit.

In the Third Army Area, several senior officers told ATHIT-WIWAT that the prestige of Gen Prem has increased greatly.

In the Fourth Army Area, the regimental commanders are all "committed to," or "in the line" of Gen Athit. In particular, Col Phairat Khemkhon, the former chief of staff of the 15th Division who has been made the commander of the 5th Infantry Regiment, has been entrusted by Gen Athit Kamlangek with the task of supervising the construction of the Athit Kamlangek Canal in Songkhla Province. At the same time, Col Winit Krachangson has cleared himself in the April Hawaii case and taken command of the 15th Infantry Regiment.

"In the army areas, the regimental commanders are important power bases of Gen Athit," said a lieutenant general to ATHIT-WIWAT.

As for Gen Prem, he is confident of his power base among regimental commanders in the cavalry divisions and the Special Warfare Command. In particular, concerning the 1st and 2nd cavalry divisions, one regimental commander told ATHIT-WIWAT that "all six cavalry regiments fully support Gen Prem just as in the past." He also hinted that if it became necessary to choose between Gen Prem and Gen Athit, they would side with Gen Prem.

Looking back to the time of the "complex situation," the "revolutionary" activities of Col Bunsong Phatrasongkhram, the commander of the 1st Royal Guards Cavalry Regiment, indicate that what this regimental commander said is true.

In the Special Warfare Command, or the "fifth army area," of the five special forces regiments, which have trained seriously to wage unconventional warfare, the regiment that Gen Prem has great confidence in is the 1st Special Forces Regiment, which is commanded by Col Surayut Chulanon, "Prem's boy Aet." Thus, it comes as no surprise that Col Surayut chose to remain in his old position after there were rumors that he was going to be transferred and made the commander of the 11th Royal Guards Infantry Regiment in the First Army Area.

One person who has been with the Special Warfare Command for many years said that the "special forces regiments have great importance for future changes. In a future coup d'etat, unless the coup makers kill the prime minister, there is no way that they can succeed."

From Class to Class, Unity--the Decisive Point

One well-informed person told ATHIT-WIWAT that the supporters of Gen Athit have estimated their forces incorrectly. In particular, they are mistaken in thinking that the CRMA Class 8 officers are capable of exerting pressure to propel Gen Athit to an even higher position. The important thing is power and unity. As for exerting pressure, CRMA Class 8 does not have the same potential that CRMA Class 7, the young turks, once had or that CRMA Class 5 has at the present time. Since the officers who support Gen Prem are using "political" rather than "military" means, the efforts being made by Gen Athit's supporters will come to naught.

This same man also said that altogether, Gen Prem presently has a base among divisional and regimental commanders that ensures him the support of at least 17 regiments, or 50 battalions. And when the greater proficiency [of these units] is added in, these 17 regiments are of great significance. Besides this, looking at things closely, it can be seen that Gen Prem has gradually moved his military power base from the Second Army Area to the Third Army Area.

Specifically, Gen Prem's base in the military includes the five special forces regiments in the Special Warfare Command, six cavalry regiments, three regiments in the Third Army Area and at least three other regiments. At the battalion level, Gen Prem's power base now consists of at least 50 battalions, which is a very large force that has an effect on the stability of the government. At the same time, by its own admission, the other side has only 36 battalions.

Athit's Hopes Rest With the Battalion Commanders

"Gen Athit does not attach much importance to this year's reshuffle of regimental commanders since very few will be transferred. I think that he attaches more importance to the battalion command level," said a staff officer attached to the RTA CINC who is a member of the "Chang Luang young turks."

He said this to ATHIT-WIWAT before the reshuffle of regimental commanders, or special colonels. But later on, when the reshuffle of battalion commanders took place, many "Chang Luang turks" were transferred to battalions in the Bangkok area. Such officers included Lt Col Praphat Nilawong, the commander of the [1st Battalion] of the 1st Royal Guards Infantry Regiment, Lt Col Phaisan Katannu, the commander of the 2nd Battalion of the 11th Royal Guards Infantry Regiment, and Lt Col Phirom Tangkhrat, the commander of the 2nd Battalion of the 1st Royal Guards Infantry Regiment.

This year's reshuffle of battalion commanders was commented on widely. People said that Gen Athit had begun to form a new class of officers and attach real importance to the battalion command level. In particular, he has placed great trust in the "chang luang" group, the leader of which is Lt Col Phiraphong Sanphakphisut, or "chief of staff Hank," the commander of the 1st Royal Guards Engineers Battalion. It is said that in the next 2-3 years, these officers will be a new force that will "push people" into political positions. If Gen Athit receives a 3-year extension, this group will automatically be of great importance.

However, the Chang Luang officers are still very concerned that among them are officers who support Gen Prem. In particular, cavalry officers such as Lt Col Phinit Chonphrom, the commander of the 4th Cavalry Battalion, are very close to Gen Prem's faction.

At present, it is not at all certain whether Gen Athit will be able to rise to the position of prime minister even if he is the power center in the military just like Gen Prem before him. At present, the mysterious activities of the Chang Luang Young Turks and the high-level activities of certain people who are close to Gen Athit and who have made many public appearances during the past 2-3 months still have the same objective, which is to "exert pressure" to have Gen Athit rise to the peak of power.

Gen Athit is undoubtedly aware of this. The only question is how he will react.

First Army Area

Maj Gen Phichit Kunlawanit, commanding general, First Army Area

1st Royal Guards Infantry Division

Col Isaraphong Nunphakdi, commander,
Col Banthit Malaiarisun, commander, 1st Royal Guards Infantry Regiment
Col Amphon Sawetserani, commander, 11th Royal Guards Infantry Regiment
Col Wattana Bunyasit, commander, 31st Royal Guards Infantry Regiment

2nd Infantry Division

Col San Siphon, commander, 2nd Infantry Division
Col Chainarong Nunphakdi, commander, 2nd Infantry Regiment
Col Manat Khlaiani, commander, 21st Royal Guards Infantry Regiment
Col Watchara Wattanakun, commander, 12th Infantry Regiment

Second Army Area

Maj Gen Phisit Hemabut, commanding general, Second Army Area

3rd Infantry Division

Maj Gen Somphon Toemthongchai, commander, 3rd Infantry Division
Col Manot Buachum, commander, 3rd Infantry Regiment
Col Somphan Bunkangwan, commander, 13th Infantry Regiment

6th Infantry Division

Col Bunthaen Nienchaloei, commander, 6th Infantry Division
Col Damrong Thatnachon, commander, 6th Infantry Regiment
Col Rewat Bunthap, commander, 23 Infantry Regiment*

Cavalry Regiment Subordinate to the Second Army Area

Col Kamon Sakhun, commander, 6th Cavalry Regiment

Third Army Area

Lt Gen Thiep Kromsuriyasak, commanding general, Third Army Area

4th Infantry Division

Maj Gen Siri Thiwawan, commander, 4th Infantry Division
Col Sommai Wichawon, commander, 4th Infantry Regiment
Col Chankat Klanthakasuwan, commander, 7th Infantry Regiment
Col Wanna Ronran, commander, 17 Infantry Regiment

1st Cavalry Division

Maj Gen Sathon Suwannpha, commander, 1st Cavalry Regiment
Col Rutthai Nirobon, commander, 2nd Cavalry Regiment
Col Praphon Sitthiloet, commander, 3rd Cavalry Regiment

Fourth Army Area

Lt Gen Wanchai Chitchamnong, commanding general, Fourth Army Area

5th Infantry Division

Maj Gen Chap Iemsiri, commander, 5th Infantry Division
Col Phairat Khemkhan, commander, 5th Infantry Regiment*
Col Winit Krachangson, commander, 15th Infantry Regiment*
Col Wiset Siri wattanakun, commander, 25th Infantry Regiment

Units Directly Subordinate to the Army

Special Warfare Command

Maj Gen Sunthon Khongsomphong, commander, Special Warfare Command

1st Special Forces Division

Maj Gen Wimon Wongwanit, commander, 1st Special Forces Division
Col Surayut Chulanon, commander, 1st Special Forces Regiment
Col Narong Porachim, commander, 2nd Special Forces Regiment
Col Chalongchai Yaemsaso, commander, 3rd Special Forces Regiment

2nd Special Forces Division

Maj Gen Khachon Wongraman, commander, 2nd Special Forces Division
Col Han Phethai, commander, 4th Special Forces Regiment
Col Samao Yusaphaphon, commander, 5th Special Forces Regiment

2nd Cavalry Division

Col Ariya Ukhosakit, commander, 2nd Cavalry Division
Col Bunsong Phatrasongkhran, commander, 1st Royal Guards Cavalry Regiment
Col Saimit Kalayanmit, commander, 4th Cavalry Regiment
Col Paphatson Phisutthisan, commander, 5th Cavalry Regiment

9th Infantry Division

Col Choetchai Thiratthanon, commander, 9th Infantry Division
Col Uomsak Chulacharik, commander, 9th Infantry Regiment
Col Somphon Chunhanan, commander, 19th Infantry Regiment*

Artillery Division

Col Phucong Nilakham, commander, Artillery Division
Col Prakat Phanbanyong, commander, 71st Artillery Regiment

AAA Division

Maj Gen Wirot Saengsanit, commander, AAA Division
Col Phichai Chinachotti, commander, 1st AAA Regiment
Col Samphao Chusi, commander, 2nd AAA Regiment*

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THAILAND

FOREIGN MINISTER ON LAO BORDER, NUCLEAR FREE ZONE

Bangkok MATICHON in Thai 29 Oct 84 p 4

[Interview with Air Chief Marshal Sitthi Sawetsila, the minister of foreign affairs, on 26 October 1984; place not specified]

[Excerpts] Air Chief Marshal Sitthi Sawetsila, the minister of foreign affairs, was interviewed on 26 October about the reasons behind Thailand's winning a seat on the U.N. Security Council. This is an unprecedented achievement for Thai foreign affairs circles in Thailand's 38 years as a member of the United Nations.

[Question] There have been reports that France is urging Sihanouk to join the Heng Samrin government.

[Answer] That is not true. I met him. We had dinner and chatted together. Vietnam wants to separate Sihanouk from the Kampuchean people. Vietnam probably asked France to talk to him.

[Question] Does the fact that Thailand has withdrawn its forces from the three villages mean that we have ceded territory to Laos? Lao officials entered the villages after we left.

[Answer] No, it doesn't. We do not feel that we have lost that land. We are still not sure to whom that land belongs. Each side has a different map. The map that Thailand and the United States made shows the middle of the river channel as the demarcation line. The fact that we withdrew our forces means that we are trying to determine the facts in this matter. It is better just to wait awhile on this. There are many border problems. There are problems along the twisting river that forms the Thai-Burmese border, and there are problems along the Thai-Malaysian border. Rather than fight each other, it is better for us to negotiate and try to reach an agreement. However, according to the constitution, it seems that I am wrong for having given up territory to them. We will wait for the next chance. There is international arbitration if we want to use this. But I think that it would be better to wait and see what the attitude of Laos will be. But so far, Laos has not stopped. It is still attacking

us by saying that we still have troops in the three villages. I checked this again and, to the best of my knowledge, all our troops have been withdrawn. The matter of the three villages is an important matter. I am trying to solve this problem. At a diplomatic meeting, I said that if our first application [for a Security Council seat] is rejected, that is of no consequence.

The most important thing is that Thailand has never been condemned for being the aggressor. We have tried to solve this problem, and this may have gained votes for us. But that was not our goal. Our objective was not to allow any group to condemn us. We were not blamed or condemned by the U.N. Security Council. If that had happened, I would have failed in my duty as foreign minister.

[Question] The FAR EASTERN ECONOMIC REVIEW reported that at an ASEAN foreign ministers meeting, it was recommended that certain Khmer Rouge leaders be removed. Is that true?

[Answer] No, it isn't. We never discussed that. We feel that such matters are the affair of the Kampucheans. It is up to the Kampucheans to choose their own leaders. Others should not interfere. It is up to the Kampuchenas to decide. ASEAN has never gotten involved in such matters.

[Question] Concerning the announcement that this region is to be a nuclear free zone, how true is this?

[Answer] We will discuss this. There is going to be a meeting soon. This will probably be discussed at the ASEAN-EEC meeting in England.

[Question] Will nuclear-powered warships and warships armed with nuclear weapons be prohibited [from entering the zone]?

[Answer] It probably means that such warships will not be allowed to use the gulf or ports. They have the right to sail through the area. And how can we know what they have? We cannot make inspections.

[Question] Will we implement a policy similar to that of New Zealand?

[Answer] It hasn't reached that point. Actually, I would like the entire world to be a nuclear free zone. This would prevent a war that could destroy us all. Even the great powers such as the United States and the Soviet Union are afraid of a nuclear war. Even Mrs Gromyko said to a group of ladies that she would like to turn the clock back to 1940. She said that she has thought about what would happen if there was a nuclear war and everyone in the world died.

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THAILAND

EDITORIAL ON NEED TO STAMP OUT OBSTACLES TO DEMOCRACY

Bangkok SIAM RAT in Thai 12 Nov 84 p 3

[Editorial: "Things That Should Be Eliminated"]

[Text] "The military is the fence of the nation" is a phrase that clearly states that the military is responsible only for defending the country from outside aggression. That is the military's only duty. It is no longer responsible for administering or governing the country, as was the case in ancient times.

In India, in ancient times, even though the Brahmins were considered to be the highest caste, the caste with the greatest power was the Kshatriya caste, the warriors or soldiers. Because it was the soldiers who were the administrators. They were the ones who governed the country at that time.

This principle was common throughout the entire world, including Thailand before the administrative change in 1932. Now, we have changed or are trying to change. The soldiers, who have weapons, no longer have to serve as administrators.

According to present-day political science principles, administrative systems can be divided into two major types: democracies and dictatorships.

A democracy is a system that gives power to all members of the society. But in a dictatorship, it is the administrators or governing faction that stipulates the roles, rights and duties of those under their control. Which of these two systems people choose depends on various factors such as the foundation for social development.

As for Thailand's cultural development on the administrative front, we are now in the process of evolving from a total dictatorship to a democracy. At present, our system is still semi-dictatorial, semi-democratic since it has been evolving for less than 100 years. Thus, we have constantly encountered problems in trying to implement a democratic system. This may be because old traits of the dictatorial system have still not been completely eliminated.

Because of this, problems have arisen in exercising rights and performing duties. And democratic principles have frequently been violated by people carrying out a coup d'etat and establishing a dictatorship in order to solve the immediate problems. This has thrown fainthearted democrats into confusion. But those who have dedicated themselves to democracy have considered the establishment of temporary dictatorships just an adjustment on the way to a perfect democracy. This has not bothered them.

But actually, dictatorships were not established here in order to improve democracy. This was done in order to gain power. Democracy served as the tool or justification of those who took the opportunity to seize power. Thus, Thai politics has just struggled along.

This political failure has had a great effect on modernizing the nation's economy in order to raise the standard of living and quality of the people in society.

Economic development has lacked continuity because of the frequent changes in policy, which has resulted mainly from the frequent coup d'etats. This has delayed the modernization of our economic system.

The purpose of the above discussion on administration and economics is to warn "patriotic people" that the state of Thailand's economy depends to a very great extent on political security. Because no one can complete anything if there is constant bickering and fighting.

Thus, if we want the nation to develop and the economy to improve, we must all help develop democracy. Whoever poses an obstacle to the development of democracy--no matter who it is--must be eliminated.

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POLICE AIDE TO PREM PROFILED

Bangkok THAI RAT in Thai 11 Oct 84 p 4

[People Today column: "Police Captain Khachonsak Kriangsakphichit, a Police Aide to the Prime Minister"]

[Text] He is the only son of Maj Gen Khane and Mrs Sutthanom. He was born on 14 June 1956 at the home of Lt Gen Luang Kriangsakphichit, his grandfather. In 1961, he attended kindergarten at the Reodi School. He began primary school at the Panaphan School. He transferred to the Ruchi Suri School when it opened in 1965. He attended this school from Grade 3 until he completed lower secondary school in 1970. He completed upper secondary school at the school for army officers' dependents in 1972.

He took the entrance test to attend the Faculty of Architecture at Chulalongkorn University. He failed the entrance test, and his mother refused to allow him to attend school abroad since he was an only child. And so in 1973, he applied to attend the Faculty of Law at Ramkhamkaeng University. After 4 years, he received his bachelor's degree in law.

He entered government service on 10 November 1978 as a special reserve police private with Police Precinct 3, Personnel Division. He was made an acting police sublieutenant on 24 September 1979 and made the deputy inspector with the Non-Commissioned Officers Control Section, Precinct 3, Personnel Division. He was made a police sublieutenant on 2 October 1980 and made the deputy inspector for security with Precinct 4, Special Branch Division. He was in charge of maintaining security in front of the Government House, which is where he first met Gen Prem. Gen Prem asked that he serve as his aide and so he became the prime minister's first police aide.

After the events of 1-3 April [1981], he was promoted to police lieutenant and made the deputy inspector with Section 4, Precinct 2, Suppression Division [while still serving as an aide]. He was promoted to police captain on 14 October 1983. He has been an aide to the prime minister for 3 years out of a total of 5 years and 9 months in government service.

He is a handsome man and has often performed in charity performances. Like most of the military officers who serve near the prime minister, he is not married.

POLICE TO GET GREATER POLITICAL INTELLIGENCE ROLE

Bangkok SIAM RAY in Thai 12 Nov 84 pp 1, 12

[Article: "Politics 'Overwhelms' the Police; Police Units Ordered to Follow Matters Closely"]

[Text] Police have taken an interest in political problems. They have been ordered to monitor activities constantly and to gather intelligence and submit it immediately.

A report from the Police Department stated that recently, Police Lt Gen Suwan Rattanachun, the deputy director-general of the Police Department, and high-ranking police officials held a meeting to discuss the political activities carried on subsequent to the criticisms made concerning the government's devaluation of the baht. Police officials must monitor the political activities and analyze the political intelligence gathered in order to submit it to their superiors. The reason for this is that such criticisms could lead to many factions talking about this matter, and the matter could get out of hand.

The news source said that after Special Branch Division officials, who attended the meeting, too, compiled data on the political events and informed senior officials, Police Col Chinda Duangchinda, the deputy commander of the Special Branch Division who acted on behalf of Police Maj Gen Kasem Saengmit, the commander of the Special Branch Division, issued an order on 8 November to Special Branch Division units, particularly precincts 2 and 5, Documents and Newspapers Section. They were ordered to monitor the political activities, gather intelligence and submit the intelligence to their superiors for analysis.

The report stated that this order stressed having police officials take quicker action on several fronts in order to keep abreast of events as they occur.

The same is true for the Commissioner's Office of the Metropolitan Police. The various intelligence units were ordered to monitor events constantly and to gather intelligence. The intelligence units of the various divisions

must cooperate with each other at all times. In particular, the Inspection and Special Operations Division ordered the Riot Control Precinct to keep its forces in place until it receives further orders.

Besides this, a news source from the Crime Suppression Division stated that Police Maj Gen Bunchu Wangkanon, the commander of the Crime Suppression Division, ordered the commando unit positioned along Lat Phrao Road, Chok Chai 4, to remain on alert and wait for orders.

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THAILAND

ASSEMBLY PRESIDENT UKRIT VIEWS DISCUSSED

Bangkok BAN MUANG in Thai '16 Oct 84 p 5

[Ta Mo Lo column: "The Story of a Man Who Wears a Mask"]

[Text] Dr Ukrit Mongkhonawin, the new president of parliament, accepted an invitation and spoke to more than 300 members of the Thai Chamber of Commerce on the subject of business and the survival of the nation. This took place last week at the Dusit Thani Hotel.

Dr Ukrit analyzed the government's administration in a frank manner. He said that at present, people are experiencing difficulties and that the incomes and expenditures of people in general are not in balance. People are not happy. People are not safe, and accidents are common. People face threats from criminals. And many government officials are really criminals in disguise. People and businessmen who contact them are treated in an evasive manner. These officials perform their duties improperly. People and businessmen are deceived in many ways.

Dr Ukrit also spoke about financial business activities, which are in turmoil. When the finance and credit foncier companies go bankrupt, who is responsible? These companies are not illegal companies. They are audited by the national bank. But when they go bankrupt, the people have to convert their notes without receiving any interest. Regardless of which government it is, government officials who act like this are not acting responsibly toward the people.

At present, university graduates do not know where they will work. We have 1 million people who are unemployed. Every year, another 670,000 new workers enter the labor market. The government can employ only 20,000. "Who will take responsibility for the rest?" asked Dr Ukrit. Concerning the nation's economic administration, Dr Ukrit said that any government that naively uses foreign economic formulas here is destroying the country. As for investments, Dr Ukrit said that neither Thai nor foreign businessmen want to invest here because of the tax problems. Thus, the entire tax structure will have to be adjusted. The government must not interfere in the activities of the private sector. Competition within the private sector must be promoted.

Concerning the Mae Chamoi share fund, the government should not intervene since participating in this is voluntary. People are doing this because they have lost all hope. When they deposit money in trusts, which are under the supervision of the government, their money is not protected. This is one reason why so much money is flowing out of the system. And people are greedy; they do not consider the risks.

Dr Ukrit is opposed to issuing the Regulation to Control Financial Activities Harmful to the Economic System (to control the share funds). He feels that the government should first solve the problems involving the finance companies. At the same time, it should issue reports on the dangers of speculating in share funds. Then, if something happens, the government will not be held responsible. If a law is promulgated and something happens, the government will have to take responsibility. It is improper for the government to interfere too much. It is as if the government is not doing the things that it is supposed to do.

The above are only a few of the things that Dr Ukrit Mongkhonnawin, the president of parliament, said in his analysis of the government's administration of business activities. He analyzed things in a concrete and frank manner.

I do not know whether he made this analysis in his capacity as the president of parliament or as a private citizen. Let's just assume that he did so as a private citizen.

In any case, the journal SAPHA SUNG of the Senate should publish his speech in detail so that all senators and the government can read it. Because even if Dr Ukrit was speaking as a private citizen, he is the president of the Senate and so people should pay attention to what he has to say. I am saying all this because according to the traditions of parliamentary politics, the president of parliament must remain neutral, just like a judge. He must be very careful so that what he does and says does not have an effect or show partiality toward the government or opposition.

Mr Uthai Phimchaichon, the speaker of the House, is very careful and always hides his feelings when he gives an interview to the mass media.

Thus, the president of parliament is not known too well. In the English House of Commons, the MP who becomes the president is elected without opposition. This helps ensure the neutrality of the president. Because otherwise the president would have to "show form" and seek votes. This would destroy his neutrality.

But Dr Ukrit did not have any problems as far as winning votes was concerned since as a senator, he did not have to run for election. If the time is ripe, a person can get what he wants.

However, the fact that Dr Ukrit temporarily removed the mask of president of parliament and, as a common citizen, criticized the things done by the government without fear of offending the government shows that the things that he sees are troubling him greatly. He wants the government to become aware of these things. There was nothing wrong with this. He was just exercising his rights as a citizen, just as soldiers have done. However, a person who holds such a position speaks louder than an ordinary person. And if a soldier speaks, his words are like a roar. That's usually rather frightening.

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UKRIT ON RTA, POSSIBLE PREMIERSHIP

Bangkok LAK THAI in Thai 25 Oct 84 pp 15-17

/Interview with Dr Ukrit Mongkhonnawin, a favorite for prime minister; date and place not specified/

/Text/ In the last issue of LAK THAI there was an article called, "The Military is Still Set on Forming a New Cabinet with Ukrit as Prime Minister." In this issue we have the opportunity to publish a special interview with Mr Ukrit Mongkhonnawin, chairman of the senate and important political favorite, who reveals his feelings about various commentaries on himself, concerning his ascension to the senate chairmanship with military backing, support for constitutional amendment, and the prime ministership.

/Question/ There has been criticism of you, saying that you rose to your present position because of military backing or because of your support for the military regarding constitutional amendment. May I ask your feelings on this?

/Answer/ Yes, but it is a matter of whether you believe it or not. I have views on the nation, on governing the nation, in my capacity as an individual citizen and as a person who mixes in political circles, and on the nations concerns as well.

But when I look at the nation's problems, I do not see them from the point of view of a foreign textbook and thus make critiques. I see them from the point of view of someone who deals with reality, with the nation's problems, with the people's problems. Therefore, my point of view is one that will allow the nation to survive. The nation is not a matter of one person or one group. Therefore, no matter what, the Thai people must retain their rights and freedoms. To protect Thai independence we must have freedom and the institution of the monarchy. These are the essentials that I must do my utmost to protect.

The form can vary according to the situation, as has been said. Therefore, if my point of view coincides with that of a particular group of individuals or with the military, I do not find that odd. But I don't want to overemphasize when I say I am not involved with the military, as if to say I dislike the military. In reality, each person is unique. Outside of national concerns, I

have come to know these people and to develop compatible opinions. Therefore, on occasion we deal with national matters at meetings or friendly chats, but if I'm not invited, I don't mind because I believe all Thais are brothers in the end, whether military, civilian, police, or whatever. Why must we separate the military and civilian? Right?

/Question/ It could be because of the fear that the military would topple the political structure and turn to a dictatorial system.

/Answer/ Yes, it could happen if we act by ourselves, that is if we do something extreme that threatens the nation's ability to survive, or secondly if we close the door and wall ourselves off more than we should, not associating even with our friendly neighbors. If we open up to each other, there will at least be understanding among ourselves. The military loves the country and the civilians love the country and honor the king. All have Thai blood. Those who say that the military are like this or that--actually, of our parents, the father is the military.

I don't understand our way of thinking, why we must say that person is military, that one civilian.

/Question/ This was because the old image of the military caused fear.

/Answer/ Correct. It is a feeling that has been in our heads for a long time. But I would like to make this image gradually disappear and for there to be a feeling that there are only sons of Thailand who are not divided into military, civilian, police, citizens, workers, and students.

Therefore, I would tell my Thai brothers that I don't divide them into military, civilian, and police employees, citizens, workers, and students, even prostitutes or whatever, why divide them. Right?

/Question/ Part of it is that the military is strong and appears to be trying to acquire more power.

/Answer/ It could be a matter of training, the code of discipline characteristic of military training in all countries. But I believe from my personal encounters with the military, as you can see from our conversations on TV, that if the military were like that--aggressive and unwilling to listen to other views--they probably would not discuss national problems and allow criticism. They remained silent and listened when I spoke. When they spoke, we listened, and we let the people criticize.

Therefore, the image of the military today as I understand it is along the lines of coming out to speak with civilians more, and more openly. I think this is a good trend. Why shut the door? Sit down and talk, just as our country is saying we can associate with all nations. Democratic countries come to the table and talk; communist nations come to the table and talk. Right?

This is a period during which we must create alliances, not enemies, create alliances with our neighbors, with people of all camps. Why shouldn't we build

alliances within our own nation, right? I think the period of division is over. How is it that small countries still encroach upon us? We have over 50 million people, but we are divided, we don't cooperate. We are divided by color, race, and generation. What are we divided about? Even Singapore, which lacking in natural resources cannot compare with us, has surpassed us. Why? Because they do not have the harmful divisions we have.

I would like to see all feelings of suspicion and dislike among Thais eliminated. This is a turning point in our survival. We must love one another more, speak less and work more, and thus increase our mutual happiness.

/Question/ But there are still stipulations, particularly in the Constitution, right?

/Answer/ Right. The Constitution is as you say. That is the rule. That is the character of government. Therefore if we see something closed that should not be, if we believe something must be done to make it better, we should do it. I believe we should not be antagonistic among ourselves. If something must be done so that the people, the nation, and its institutions may survive, then do it. But if you believe that without it we can survive, then don't do it. Right?

But please think of the feelings and desires of the majority of the people in the nation and don't let your own feelings interfere.

/Question/ I don't know if you have heard political commentators say that if General Prem had to leave his post now, as General Athit could not take on a political post because of constitutional restrictions, there would have to be an acting prime minister, while a way was found to amend the Constitution, and that you would be a favorite for acting prime minister.

/Answer/ Why wouldn't I have heard? I also saw it in your paper. Ha ha ha.

/Question/ And what are your thoughts?

/Answer/ I think it is immaterial because my own feeling is that the Prime Minister should recover quickly and be able to continue to govern. Therefore I think that the question should never arise. I still love my work in the senate and want to continue working in that area. My understanding is that the question probably will not arise.

But I understand that it is a matter of thinking ahead, which is not wrong, as such matters must be considered so as not to be negligent. But still, for myself my thoughts have gone no farther. I am satisfied with this.

/Question/ In your opinion, what should be the characteristics of a prime minister?

/Answer/ My ideal prime minister--I'm not speaking of any of the various prime ministers, but of the ideal--must be a man of action and conviction, be loyal, and be influential.

By "a man of action" I mean someone who knows profoundly the various problems of the nation and methods of solving them, not simply listening to the reports of career civil servants. This is difficult because the nation's problems are not of any one particular type, but are in all areas--economic, political, social, problems in the civil service system, problems of national and international investment, and problems of taxes and revenues.

A broad and profound knowledge is necessary because without all around knowledge of the various problems we will not be able to solve them. To know them is not enough--we must also know how to solve them.

Second, "conviction" refers to firmness in decision making, in procuring good people, in getting rid of those who are not good and bringing in new ones, and doing what one believes must be done to benefit the nation and the people.

In addition, we Thais probably want a prime minister who is very loyal and honest, not one who cheats the people. How has Prime Minister Prem lasted so long? Partly because of his quality as a prime minister that we believe is loyal.

The last quality that a Thai prime minister should have is influence. This is not something any Mr A or Mr B can have. Even for someone well known in a political party it is a matter of being accepted by all sides. This is what is meant by being influential, no?

/Question/ If you were approached to become prime minister, do you think you could perform the duties?

/Answer/ This situation probably will not arise. Ask something else. This is embarrassing. Probably not.

/Question/ The conditions that you raise--I don't know if it must also be someone whom the military accepts. Is that necessary?

/Answer/ That is included in the word "influential." Influence refers to acceptance by all sides, as well as the people and the civil service, including the military.

Without influence, if the people accept someone but the political parties and the military do not, he won't last; if the military and the political parties accept, but the people don't, he won't last. This is what is meant by influence.

/Question/ During the past two or three months there has been much commentary pointing to a fear that Thai politics will not be able to survive. What do you think?

/Answer/ I do not worry that politics will not survive. My only worry is whether the nation will survive. We should not hold too firmly to politics. They are always changing. I only ask that they change for the better and ask what can be done to help the nation to survive. The nation means the people.

Therefore, don't worry about there being political change. Even England has just had a change in prime minister, there is nothing strange. Italy can have a change in government almost every two months. Ask only that the nation survive.

/Question/ But the twisting of strands makes people fear that the nation will not survive.

/Answer/ We must not fear. When the time comes they will unravel them themselves because the people they ... the political period is one of confusion. The most important causes of confusion are politicians and people in political circles. These people love the nation as well. Therefore if they see things get so confused that the nation cannot survive, they will solve their own problems. We should not be more afraid than is called for. I also think that the nation will survive in any case, and at that time the thinking of politicians will reach a point where they will think about whether they should turn their faces toward one another for the benefit of the nation. Where is the highest benefit of the nation but in its survival?

/Question/ Can you comment on current political trends?

/Answer/ I don't think I have the ability to judge.

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CSO: 4207/47

BANK OF THAILAND GOVERNOR PROFILED

Bangkok THAI RAT in Thai 19 Oct 84 p 4

/Article: "Kamchon Sathiragun, Governor of the Bank of Thailand"/

/Text/ He is from Nakhon Sithamarat, Pak Phanang. His mother's name is Wong; his father's name, Song. He was born on 10 August 1933.

He received his primary education in Pak Phanang and his middle school education in Wachirawut, as did his older brother, graduating and going to the United States for his higher education. He received a BA and an MA in economics from the University of Michigan.

He returned to take a post in the Customs Department pursuing tax evaders, and climbed to become deputy director general of the customs department. Later he became C.10 /as published/ in the Office of Economic Finance in the post of director, which is the same as director general.

He has taught at Thammasat and other places. He has many students and followers, even some who work for THAI RAT.

He has participated in many government enterprises, as chairman of the Securities Market Committee of Thailand and a board member of the Thai Petroleum Agency, the Thai Aviation Agency and the Bank of Thailand.

At the time of the recent thunderbolt incident at Baengchat he was entrusted by the Treasury Minister with the position of governor of the Bank of Thailand. In the future, everyone from young students to important people will have Kamchon Sathiragun's signature in their wallets because his signature will be on the new banknotes.

His wife's name is Phani. He has a single son.

His hobby is collecting numerous small Buddha images, from the old and rusty to the not-so-old.

He has an older brother who is an authority in the business organization of the Teachers Council.

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CSO: 4207/47

THAILAND

BOONCHU DISCUSSES BAHT DEVALUATION, ECONOMIC POLICY

Bangkok SU ANAKHOT in Thai 8-14 Nov 84 pp 23-27

[Interview with Boonchu Rotchanasathien, the former deputy prime minister for economic affairs; date and place not specified]

[Text] [Question] Would you give us your views on the government's devaluation of the baht?

[Answer] We have to analyze the reasons and see why the government felt it necessary to take such a strong step. Also, this action was taken after [the prime minister] went abroad to persuade people to invest here. Assurances were given that the country's economic situation was secure. And plans were made to make improvements and changes and help our economy make progress in order to attract foreigners and get them to invest here. Because there are many investment opportunities here. Also, there are the plans for undertaking special [projects] such as the eastern seaboard development project, the industrial activities concerned with the production of gas in the Gulf of Thailand and the oil-drilling activities, which we had planned to expand. All of these are activities that got underway just recently. And now, suddenly, there has been a reversal. This recent action is a total reversal. There must be important reasons that forced [the government] to make this decision.

[Question] Do you think that the reasons given to the public in radio broadcasts and in interviews are adequate?

[Answer] I think that there must be a very strong reason that they did not dare tell the people. They said that the purpose was to change the method of setting the exchange-rate value so that [the baht] will not be pegged to the dollar. I do not think that that was the real reason. If the real reason was to untie the baht from the dollar, which was the reason that was announced, why didn't they untie the baht from the dollar when the baht was devalued the first time? Why couldn't the baht be untied

from the dollar at that time? If there were reasons why this was not possible at that time, are those reasons no longer valid now? Is this why it is now possible to untie the baht? I would like to know how the baht is to be untied. Because this devaluation of the baht seems to be exactly like the previous devaluation. Everything was exactly the same. And so I do not see how the baht is to be untied. To do this, something has to be done to show that from now on, we are no longer pegged to the dollar. I do not see how this is to be done. I am not sure that this will be done. I am still suspicious about why this wasn't done before. Why do this now? Are there reasons that make this easier now? This is not clear. I think that they just said this but that no action has been taken to do this. I do not think that that was the real reason behind the devaluation of the baht this time.

[Question] As for untying the baht from the dollar, people in general have a very difficult time understanding how this can be done.

[Answer] Exactly! Why didn't [the government] explain things first? There is definitely a way to untie the baht from the dollar. But this must be done in stages. Preparations must be made, and then the value of the baht can gradually be altered depending on our economic situation. The government should not have devalued the baht 17 percent so suddenly and then announced that the baht would be allowed to float. If [the government] planned to float the baht, it should have begun to do so at the time of the last devaluation. Actually, if the government wanted to float the baht, which I favor strongly, it should have made preparations to gather data on the trade and economic situation and then adjusted the amounts of the various currencies that compose the currency reserve fund and the assets of the Exchange Equalization Fund. But they did not do this. They just floated the baht all at once. I do not think that they will succeed in floating the baht. That is, they are not ready. I can assure you that they are not ready. If they say that they are ready, they should take action to show us. They lack good reasons for taking the action that they did. Careful preparations were not made. And preparations should have been made in order to reduce the effects of this. That is, things were done in a great rush, and people are now trying to figure out how to solve the problems that have arisen in the wake of this. The statement that was issued pointed out the many problems that will arise. But that was just an explanation or an assurance that [the government] will do everything possible not to allow this or that to happen. Thus, [I] do not think things were done carefully. Because there will definitely be adverse effects from a 17-percent devaluation, which is a very sharp devaluation. From the standpoint of the government, the most important thing is that the budget, which was just approved by parliament, will be wrong. The amount of money budgeted for servicing the debt was stipulated based on an exchange rate of 23 baht [to the dollar]. There is no way that the full amount can be serviced unless more money is budgeted for this. The amount must be increased. But where will this money come from? Thus, the budget that has been formulated is all wrong. It is not wrong just in those sections that concern the government. The state enterprises,

which have their own budgets, that are involved with foreign currencies will experience severe effects. This is not a minor matter. I think that it will be difficult to adjust things to this change. And besides expenditures, revenues will be affected, too. If taxes have to be lowered to cushion the impact, revenues will be different from those estimated in the budget. Besides this, I am sure that taxes on corporate profits will be affected, too. Because the companies that are affected by the devaluation of the baht will suffer large losses. Revenues from taxes on juristic entities will decline greatly.

[Question] The government has constantly said that there was no way to avoid this since the country has so many problems. In the present situation, was there any other way besides devaluing the baht?

[Answer] The stated objectives of this devaluation were the same as those announced at the time of the previous devaluation. The revenues that we earn from selling goods are less than expenditures for imported goods. That is, we have a trade deficit because we purchase more than we sell. This has led to a balance of payments deficit and has affected our currency reserves. In short, our economy is in trouble, and quick action must be taken to solve this problem. The government is responsible for solving this problem. The government must stipulate measures or implement a policy that will produce results. It must do something to reduce or eliminate the trade deficit. That is the duty of the government. The government must have the knowledge and understanding to take action that will enable us to have a balance of payments surplus. This means that we must have an income from other sources besides the sale of goods. We must have other sources of income from which we can bring large amounts of foreign currency into the country. Such sources include tourism and services of various types. Also, we must find a way to attract large amounts of foreign investment capital. By doing this, we will enjoy a balance of payments surplus. The government is responsible for these activities. It must carry out these things. If these things are not done, our situation will definitely not improve.

After the baht was devalued the first time, it was thought that our situation would improve. But things did not improve. Instead, things grew worse. It reached the point where we had to devalue the baht again--by more than 17 percent this time. This shows that the government has failed to solve the economic problems. The actions taken have been ineffective. In international trade, we have constantly "lost ground" even though there have frequently been reports to the effect that things are improving. If things really have improved, it should not have been necessary to devalue the baht and cause people so much trouble. If our balance of payments has improved as was announced 2-3 months ago, when it was stated that we had a surplus, why was it necessary to devalue the baht? Because if good results have been achieved, we should have continued on like that in order to help solve the problems instead of devaluing the baht. Solving problems by devaluing the baht should be the last method used. That is, there should be no other recourse left. The question that must be asked

the government is, didn't the government have any other way to solve the problem besides devaluing the baht? The methods that we have used to reduce the country's balance of trade deficit have been ineffective. And consequently our balance of payments situation has suffered. As for other sources of income, such as tourism, that can help improve our balance of payments, few results have been achieved. The results have not been good. The problems have not been solved. And so we must ask whether this is because the government has done things incorrectly. That is, does the government know what it is doing? Does the government have a good excuse or explanation? Did it make a mistake because of some outside situation beyond its control? Does the government have a clear answer?

I feel that the government has constantly made mistakes. It cannot be said that the government has done a good job. If the government had done a good job and done things correctly, things would not be like they are today. If it had done things correctly, it would not have been necessary to devalue the baht and embarrass people. Just a few days ago, the government said that the country's economic situation was good. Who will be the one to decide? Who will decide what the government must do to take responsibility? I do not know who will be the one to decide who was right and who was wrong. Parliament? I would like to know.

I would like to make the following comparison. Suppose that we compare the activities or responsibilities of the government to those on board a ship, which is commanded by a captain. The ship is on a voyage, but it is leaking. It is the captain's duty to take action to fill the holes to prevent the ship from flooding and keep it from sinking so that it can reach its destination. But the captain says that the leaks cannot be repaired and that to keep from sinking, the cargo must be thrown overboard. Even people must be abandoned to keep the ship from sinking. Concerning such actions on the part of the captain, the question is, why couldn't the leaks be repaired? Did the holes grow even bigger because of a mistake made by the captain? The people should be given a clear answer. They should not be forced to accept quietly the consequences of such actions. They should not have to risk having such a captain without choice.

We will have to confront things later on and will never know if the economy will improve. Will the economy really improve by devaluing the baht? How can things be any different from the last time?

[Question] What must be done to float the baht?

[Answer] Please do not ask me to discuss that here. Many things have to be done, and it would take a long time to explain. To untie the baht from a foreign currency requires that several things be done simultaneously. This requires a good understanding of the economic situation. Tools must be prepared to monitor the trade situation. Things must be done in stages. You can't just do this all of a sudden. You can't just say that you are going to untie [the baht] and expect it to happen. Do not ask me to explain what has to be done here. When I have a chance, I will make things clear

and make sure that things are correct. I want to repeat that the effects that occurred as a result of the previous devaluation of the baht will certainly occur again as a result of this devaluation. And they will be even stronger. I do not believe anyone who says that preparations have been made to deal with these effects or that there will not be problems like before. I have heard that the people responsible just began thinking about how to handle the problems after the devaluation was announced. It is clear to me that the people will be affected. Goods will be more expensive, but people's incomes will not rise. The previous time, it was claimed that the devaluation would help the farmers and enable them to sell their rice at a good price. Did it turn out that way? Since the last devaluation, prices have declined. Actually, whether we can sell our rice at a good price depends on our trade methods and trade policies. Just as in the past, this devaluation may not benefit the farmers. That is, the farmers will have to pay higher prices for goods because the cost of imported goods will increase. The cost of fertilizer, equipment and other items used by farmers will all go up in price. But no one can say how much the price of rice will increase.

[Question] There is now a national fertilizer company....

[Answer] Not yet. No fertilizer has been produced yet. This devaluation of the baht may very well cause problems for this project. Have preparations for solving this problem been made? Have national budget funds been readied?

[Question] The government has confirmed that the baht will no longer be pegged to the dollar.

[Answer] This can't be done just by saying so. This requires action.

[Question] But everytime there is a currency exchange involving some currency such as the franc, it must first be compared to the dollar before being compared to some other currency.

[Answer] Concerning the trading that goes on between the commercial banks and the Exchange Equalization Fund, they just buy and sell dollars every day. They do not trade in other currencies. Thus, when someone wants to buy or sell some other currency, they have to compare it to the dollar. I think that there are still many other things that must be monitored. Before it took this action, did the government make good preparations to solve the problems that will arise from the devaluation? The effects of the last devaluation were a rather strong lesson. And so this time, were preparations made so that we do not have to worry about such things again? This will show what steps the government took. This will show whether the government acted responsibly or whether it simply didn't care whether this would cause trouble for people. However, even if the government has made a mistake that will cause problems for the people, the government will not fall. There is nothing to worry about as far as that is concerned.

The government said that it took this action for the future. But I would like to ask whether they mean a worse future or a better future.

[Question] In your view, if the baht had not been devalued, what should have been done to solve the problems?

[Answer] Devaluing the baht should be the last step. Because to get out of an economic recession, monetary measures should not be the only measures used to solve the problems. Many other measures must be used, too. What is most important is that our trade system must be improved. There must be joint public-private planning so that production proceeds well and so that we can sell goods easily at a high price. At present, our trade system has its ups and downs; it is not consistent. The government interferes. This frequently causes problems. Nothing has been done to improve the marketing system and make it a permanent system. Thus, in trade, we are always at a disadvantage. The incomes of the farmers have never improved to the point where the farmers could stop worrying. Our production is still backward. Productivity is low, and production costs are high. It is difficult to compete with others. These are the problems that must be solved if we are to increase international trade revenues. If the government cannot solve these problems, revenues will not increase. When revenues are low and expenditures high, the economy will suffer a recession. Trying to solve the problems by just devaluing the baht will lead to ruin.

[Question] Some people have said that prohibiting the import of unnecessary luxuries is another method that should have been tried before devaluing the baht.

[Answer] Regardless of what measures are proposed, they must be effective. This concerns the knowledge and capabilities of government administration. As things stand now, it is clear that the government lacks administrative capabilities.

11943

CSO: 42C7/51

CHAWALIT DISCUSSES POLITICS, DEVALUATION

BK101000 Bangkok MATICHON in Thai 10 Dec 84 pp 1, 16

[Text] According to a dispatch from MATICHON's correspondent in Los Angeles, which arrived here on the evening of 9 December, Deputy Army Chief of Staff Lieutenant General Chawalit Yongchaiyut briefed Thai residents during a gathering at a Hollywood restaurant on the afternoon of 8 December, U.S. time, on the situation in Thailand at the invitation of the Thai Businessmen's Association. Lt Gen Chawalit said that the Indochina war has not posed any serious problem to Thailand, adding that communist insurgency in the country has been suppressed to the extent that only minor clashes are reported.

Lt Gen Chawalit noted that Thailand is now well balanced politically. Some people did not think that the present government would be able to survive until 1984. The Thai Government is now quite stable, a new experience for Thailand.

Touching on the baht devaluation, Lt Gen Chawalit said that the imbalance in payments as well as the depletion, at an alarming rate, of the national reserves forced the government to make such a decision. He disclosed that the national reserves had been less than 30 days during the past 10 months. Those people who believe that the military has nothing to do with the issue were very frightened when they saw Supreme Commander and Army Commander General Athit Kamlang-ek appear on television to express his disagreement. As a matter of fact, Gen Athit has the right to do that because this matter can affect the government's stability. Gen Athit spoke in a straightforward manner with an apparently strong tone, but it should not be interpreted as a signal for a coup d'etat, as always feared by those people who are living in nightmare.

Asked about the speculation--raised by Somchai Rakwichit during his recent speech--in the United States that he would be appointed army commander, Lt Gen Chawalit said that he did not want the result of such an analysis to influence him because it could lead to disappointment. Everyone wants that post, but the difference is each individual's reason. He said he wants to be the army commander because he wants to create a system. Whether he will have the post or not depends on the people.

Asked about the possibility of a cabinet reshuffle, Lt Gen Chawalit said there was a tendency in this regard. The idea existed even among the parties in the coalition government and members of the House of Representatives. However, he personally thought that there was no need for a cabinet reshuffle because small mistakes can always be corrected.

He said: "I can reaffirm that there will be no cabinet reshuffle in the foreseeable future. As for how long the cabinet or the prime minister will stay in office, I would like to say that they can make it until 1986 or 1987, provided that all the stars do not make confusing movement." He referred to the statement by M. R. Chuthapha Warawan (an astrologer for a Los Angeles newspaper) and said he was concerned about the situation next April and May.

He said: "I do not want to say it, lest many people here will not return home. I believe that many problems will arise next April and May, but I think we can solve them."

Regarding the comment by BBC Radio that Gen Athit could not have his military term extended and that he would not be appointed prime minister, Lt Gen Chawalit said nobody--including the BBC, he himself, or the prime minister--could determine Gen Athit's future. Gen Athit himself decides his own future. Whether he will become the prime minister or not depends on the support and desire of the people.

Lt Gen Chawalit's statement on the situation next April and May was widely discussed among the Thai residents. Many followed him to the Thai temple where he was staying to ask questions and talk with him about this matter.

CSO: 4207/65

EDITORIAL DEPLORES SHARE FUND SPECULATION

Bangkok THAI RAT in Thai 12 Oct 84 p 3

[Editorial: "Student Share Funds: Children Have Learned From Adults"]

[Text] There have been reports that students, including primary school, secondary school and vocational school students, have been participating in share funds. This was revealed by Mr Samphan Thongsamak, the deputy minister of education. This is a new and very alarming socioeconomic problem. The Ministry of Education should quickly take steps to prevent this before this becomes even more widespread.

The deputy minister of education said that when he went on an official trip to the south, parents and many others concerned told him that share fund speculation was spreading among students at both public and private schools. Some students have even gone without lunch in order to use their lunch money to participate in share funds and use the money obtained from this to buy various luxuries.

This unofficial revolving of funds or savings among students is not occurring just in the south. This is also occurring in Bangkok Metropolitan and in other provinces. This is not something that just occurred spontaneously. Actually, these students are imitating adults, including their parents, senior and junior government officials and even teachers.

The clearest example at the national level is the large-scale share fund known as the "oil-share fund." People from all over the country participate in this. This involves billions of baht in revolving capital. There have been reports that senior government officials are involved. The Ministry of Finance is going to promulgate a law to control this. But this is still pending.

The report that students are using their lunch money to participate in share funds is an indication of the country's economic problems. This indicates that the economic situation is so bad that people have to find a way out by relying on money outside the system stipulated by law. This is also an indication of social values. People like to live extravagantly. Both of these problems have arisen from [children] modeling their behavior on that of adults.

It is within the government's power to abolish the share funds, which are growing bigger and bigger, so that this does not adversely effect the country's financial system. The government can promulgate a law to control this. The cabinet has approved the Ministry of Finance's recommendation that a regulation be promulgated. This should be done as quickly as possible.

As for the small share funds that are quite common among government officials and Thais in general and that are now becoming popular among students, these are much more difficult to control. There are frequently reports that teachers engage in this. They have debts and so they like to speculate in share funds. The hope of the Ministry of Education that teachers can help control share fund speculation among students will probably come to naught since it is a matter of the child imitating the adult.

11943

CSO: 4207/40

THAILAND

NESDB PLANNING CHIEF ON DEVELOPMENT, ECONOMIC SITUATION

Bangkok MATICHON in Thai 5 Nov 84 p 4

[Interview with Sunthon Hongladarom, the former deputy prime minister and the chairman of the National Economic and Social Development Planning Commission; date and place not specified]

[Text] [Question] What is your assessment of the things that have been done so far based on the Fifth Development Plan?

[Answer] From what has been observed, some targets have been hit while others have not. One target that has been hit is inflation. The target was to keep the inflation rate from exceeding 5 percent. But during the past 2-3 years, the inflation rate has dropped to a lower level than expected. In 1983, inflation was about 3.8 percent. In 1984, it is running at less than 3 percent; it is around 2 percent. This benefits the people since it means that the cost of living has increased very little. Another point is the general economic expansion. The economy is expanding at a rate of approximately 5-6 percent, which is the rate targeted. This shows that the pressure of the country's economic expansion is generally good, that is, there has been a continuous expansion.

Another thing is the decline in the population growth rate. It is expected that this rate will continue to decline through 1986 because of the family planning activities. At present, the rate has declined to approximately 1.6 or 1.7 percent per year. It is thought that by the end of 1986, the rate will have declined to 1.5 percent. If the population growth rate can be reduced, the problem of unemployment among recent graduates and the food and housing problem will not be so severe.

As for tourism, the number of tourists has increased slightly. However, in terms of revenue earned, tourism is not stable. But even though tourism has had its ups and downs, the expansion has been beneficial for various services such as gift [shops], jewelry [shops] and hotels. Recently, many more such businesses have opened.

As for things that have not hit the targets, exports were to increase at a rate of approximately 20 percent a year. But they have increased at only 15 percent. In 1984, the rate of increase will not reach 20 percent. This is because of the world trade situation. When foreign markets are unfavorable, this has an effect [on exports]. For example, sugar has encountered many difficulties because world market prices for sugar are depressed and because so much sugar cane is being grown. Also, more sugar is produced than is consumed. Besides this, the Common Market countries have limited cassava quotas.

In addition to this, agricultural promotion, or investment, is not as good as it should be. That is, investments have increased only slightly. The balance of trade [deficit] has increased more than forecast in the Development Plan. Something worth noting is that 1984 is the first year that the trade deficit will decline. That is, the deficit will be approximately 75 billion baht. Even though this is a very large figure, it is better than last year, when the deficit was 90 billion baht. If we can continue to use the monetary measures now in force, I think that our trade situation will improve. The Bank of Thailand and the Ministry of Finance are being cautious about opening letters of credit. From now on, the commercial banks will no longer be able to extend credit arbitrarily.

The employment situation is not very good. The unemployment rate is rather high and has not dropped as we thought it would. It is a matter of gains and losses. That is, we have taken monetary measures to keep inflation from rising and to prevent it from affecting the cost of living of people in general. And better results than expected have been achieved. But at the same time, the money supply has declined and business activities have been limited in order to prevent the trade balance from growing worse. This has reduced hiring or kept the number of people employed from increasing. This is why it has been difficult to create [new] jobs.

But we should be happy about the fact that natural gas and crude oil have been discovered. Even though things will not be as good initially as once thought, in the long term, things will gradually improve. We are pumping 200-230 million cubic feet of gas per day. As for crude oil in the form of liquid gas, we are pumping 2,000 barrels a day. This will increase continuously. This will help improve the economy in general and help reduce oil imports.

The Fifth Development Plan stipulates that by the end of 1986, the amount of oil imported in the form of various fuels must decline from approximately 70 percent to only 46 percent. This will save us approximately 60-70 billion baht in foreign currency and help reduce our balance of payments deficit.

[Question] The things that have been stressed are accelerating the development of the rural areas and promoting the export industries. Have the targets been hit?

[Answer] I think that things are proceeding well. Things have progressed well based on the budget resources available. In general, I think that good results have been achieved. These are major undertakings that will take time. Rural development is not something that can be completed in 1 or 2 years. It must be carried on continuously over a number of years. It takes time. And there must be a continuous policy. An important matter that must constantly be watched is basic public health.

[Question] To date, the results have not been what they should have been. Even though the government has emphasized rural development, it has not been able to halt the growth of the city. This has resulted in more and more people coming to the capital to find work.

[Answer] I have already said that rural development will not produce any immediate results. This is a long-term matter. And this is not a matter of rural development only. It also concerns the system. I am not blaming anyone. The officials who monitor this should also monitor the construction of trade centers to see if too many are being built or whether permission should be given to build more. The city plans should stipulate which areas are to be business areas and which are to be residential areas. This has not achieved results in the past.

It is true that there is a policy for expanding growth to the rural areas. An example is the eastern seaboard project, which is a large-scale project. If this is carried out, it will help draw many people to that area. And at present, industrial settlements have moved to the northern region. This means that we now want to expand the industrial areas so that they are not all clustered together in the capital. It is true that this may not help draw away people as quickly as we would like. However, the point is that agricultural development in the rural areas may not produce results as quickly as we would like either.

I would like to give you an example. People who pour in from the rural areas do so because they cannot earn a living by farming. They cannot sell their produce at the price they want. This is the reason. They cannot earn a living from farming. One reason is that irrigation is not widespread, and the rains are not reliable. We have had an irrigation system for 60-70 years. But at present, less than 20 percent of the farm land is irrigated. The rest has to rely on the "gods," that is, it is rain-fed land. When there is draught, crops cannot be grown. And so farmers have to come [to the city] to look for work. Unless we can solve this problem, the 75 percent of the Thai people who are farmers will pour into the capital. How many come will depend on the situation each year. In years when things are bad, many will come. In years when things are bad, only a few will come. Don't blame it on the expansion of the capital. The main factor is agriculture.

Thus, the important thing is to quickly promote agriculture. Take rice seed, for example. The Bank for Agriculture and Agricultural Cooperatives (BAAC), which I helped establish, can be asked to provide help. Because agricultural circles consist of several important elements such as land,

capital, and markets. Capital is an important factor. In the past, people have had to borrow money at an interest rate of 30 percent a year.

If we had banks that would make loans at a low rate of interest, that would help greatly. At present, the BAAC has tens of billions of baht, but it cannot help 30-35 [million] people. That is simply too large a number.

Thus, it will be impossible to halt the flow of people into Bangkok as long as people cannot earn a living from farming. This is a fact that must be recognized.

[Question] Some say that in measuring the pace of development based on the Development Plan, the focus is on the increase in the national income rather than on income distribution and fairness for the poor people. What is your opinion on this?

[Answer] This has been a weak point for a long time. And it is still a weak point. That is, the national income as a whole is not too bad. But actually, some segments of the population are quite well off while other segments are poor. This is an important problem that must be solved. Stated simply, we must find a way to increase the incomes of the farmers, who form the large bulk of the population. They must be able to sell their produce at a good price. The government has stipulated minimum prices, which are referred to as price supports. This is not the same as price guarantees.

It must be understood that no government in the world can guarantee domestic produce prices since governments do not have enough money to do this. Do not boast. There is no way to do this. We produce 18 million kwian [1 kwian equals 2,000 liters] of rice a year. Do you know how much that is worth? It is worth tens of billions of baht. Where could such an amount be obtained? The government has to use its money for many things. It cannot purchase all this rice. This is a fact that must be accepted.

As for income distribution, it must be admitted that distribution is still unfair and uneven. We have discussed this in great detail. We are trying [to help] the majority who have low incomes and who have not benefited from the expansion of the economy. That is, we are trying to raise the incomes of the farmers. The problem is with the buyers abroad. We cannot control them. When prices on world markets are low, we cannot expect domestic prices to be good unless the government takes steps to help, which would require large sums of money. Japan has done this. But we cannot since things here are not the same as in Japan, which has a secure base.

Suppose that world prices are not good. They will not pay a good price for rice. And so Thai merchants or rice mills that purchase rice for export cannot pay the farmers a high price for their rice. Traders cannot sustain losses every year. Last year, Thailand exported more rice than

ever before. In 1984, 4 million tons will be exported, an unprecedented amount. But prices per ton are lower than last year since that is what world markets are paying. We cannot push up prices since world markets will not accept this. We are not the only country that exports rice. Australia and the United States export large quantities, too. But at present, they have reduced their rice growing areas and so we have a chance to export larger quantities of rice to world markets. Even though the United States has helped us, it is also a competitor of ours.

Thus, it must be recognized that we rely on the weather and world markets. And the fact is that Thai merchants are not very good. Even though more than 4 million tons have been exported, some companies have still suffered losses because prices are poor. We must all help solve this problem.

[Question] In the past, development promotion has benefited the "big fish" such as the banks, large-scale industries and large-scale agriculturalists more than the "small fish." As more and more development activities have been implemented, the people have become poorer and poorer. What can be done to solve this problem?

[Answer] This concerns a leading economic principle. That is, regardless of the industry, there is a size that is referred to as an "economic size." This is important. An industry must be large enough to be able to support itself and make a profit. In this way, the cost per unit produced will not be very high. Small industries will not be able to compete with them. Because if large quantities are produced, the unit cost will be low. Thus, it is not right to criticize us for developing large industries. However, there are small industries. We have two or three organizations, including the Office of Small-Scale Industries and the Finance Company for Industry, to help the medium sized and small industries. Besides this, there is also the Small Industries Board, which promotes such activities. While little help has been provided, it does not mean that the government will not monitor things. However, it may be true that such supervision is not yet widespread.

Actually, we want to give special encouragement to exporters. This is one of the main targets in the Fifth Development Plan. Because if we export only agricultural produce, there will be problems concerning prices. But if we export good-quality industrial products, we should be able to compete. At present, we have large industries that are producing good-quality products whose unit cost is not too high. But this will take time since we became involved in such activities 15-20 years later than others.

[Question] What are the targets in the Sixth Development Plan? Is late, what has been done?

[Answer] We have now established a work committee. Good preparations must be made. For example, we began work on the Fifth Plan 2 years prior to implementation. As for the targets, we are now studying this matter. The

main principle is to continue those activities that have proven beneficial. That is, things will be continued. In cases in which we feel it appropriate and in which things have not been completed, the activities will be continued. Special emphasis will be placed on employment since that is considered to be a major problem.

Something else that is important is export promotion. This will have to be continued without interruption since this is an important matter. When exports are depressed, everyone suffers. Another thing is that if some activity has scored results, it must not be abandoned. Take job creation, for example. Suppose that we can achieve a rate of 1.5 percent. Later on the rate must decline to 1 percent as a percentage of the decline in the population [growth rate].

[Question] Requests have been made to stress agricultural development rather than to measure the general rate of economic growth. What is your view on this?

[Answer] I definitely agree. In the Sixth Development Plan, this must continue to be done. As I said, when industry is promoted, the agricultural sector can be reduced to that degree. At the same time, farmers must be ensured a good standard of living, and steps must be taken to increase yields. However, the farmers must be given as much help as possible since farmers form the bulk of the population. This is an important matter.

[Question] It appears that there has not been as much political and social development as there should have been. If society and people lack discipline and morals, if politics is undemocratic and if some factions still have excessive power, regardless of what is stipulated, the development plans will be ineffective. For example, the military wants to purchase F-16 fighter aircraft. We will have to borrow money from abroad [to buy the aircraft]. This money could be used to help the farmers and the poor people. What is your view on this?

[Answer] This is difficult to comment on. First of all, it must be understood that limits must be put on the meaning of the word "society." In using the word "society," we are not referring to "politics." We are a technical body that expresses views to the government on various problems and that gives economic and social reasons. As for political matters, you will have to ask the prime minister. You cannot ask me.

As we use the word, we want "society" to improve from the standpoint of public welfare. Thus, our plans are called social [development plans]. We stress education and public health. As for who will purchase weapons, I do not know anything about that. As for politics, one moment [people] are on the way up and the next they are on the way down. And the next moment there is an "exercise." You cannot ask me about this. It is a difficult subject. We do not have any power or duties. That is a matter for the government and parliament.

11943

CSO: 4207/52

THAILAND

BRIEFS

FOREIGN EXCHANGE REMITTANCES--A report from the Labor Department's Administrative Office for Thai Laborers Going Abroad states that in 1984, it is estimated that Thai laborers working abroad will remit approximately 20 billion baht to Thailand through the Thai banking system. If the money that is not sent through the banking system is included, the amount will total approximately 26 billion baht, which is greater than last year. Altogether, this is approximately 20-25 percent of the amount that is sent through the banking system. The report states that in sending Thai laborers abroad, during the period January to September, 972 petitions were submitted to the Department of Labor concerning jobs and contract positions. There were 5,576 jobs and 76,157 applicants. The Department of Labor examined the petitions and approved 834 petitions and 4,548 jobs. As for the matter of people going abroad having to pay an exit tax of 1,000 baht, in order to help people go abroad to work, during the period January to September, 76,132 people were exempted from having to pay the exit tax. [Text] [Bangkok MATICHON in Thai 5 Nov 84 p 2] 11943

COMPUTER IMPORTS--The number of computers in use in Thailand has increased sharply. Five years ago, there were only 250. But now there are thousands. The value of imports has increased five-fold. A report from the Customs Department informed MATICHON that the value of imports of computers and accessories has increased greatly during the past 5 years. In 1980, the value of [computer] imports was 243.67 million baht. In 1981, the value was 444.15 million baht. In 1982, the value was 526.72 million baht. In 1983, it was 1,075.53 million baht. And in 1984, as of July the value was 1,059 million baht. This is considered to be a very rapid rate of increase. "It can be seen that the figure for 1983 is double that of 1982. And the figure for 1984 will probably be five times that of 1980," said the news source. At a recent seminar on computers, Mr Sisak Chamaraman, an advisor to the minister of science, technology and energy, mentioned the number of computers in the country. He said that in 1964, there were only two computers here. In 1974, there were 60 computers; in 1980, there were 250; and in 1982, there were 2,000. Now in 1984, there are 10,000 computers here. Mr Sisak said that the number of computers in use here has increased so much because many microcomputers have been imported since they are easy to use and compact in size. [Text] [Bangkok MATICHON in Thai 5 Nov 84 p 2] 11943

DISPUTED VILLAGES STILL PATROLED -- It has been said that Thai soldiers have withdrawn completely from the Thai territory claimed by Laos in the three villages of Ban Mai, Ban Kang, and Ban Savang, the withdrawal having begun early this month and ended with the withdrawal of the Than Phran Irregulars unit on 13 October. However, the presence of reconnaissance units for self-protection probably still continues in the region of the three villages because that is Thai territory, although we no longer have the power to set up permanent bases of operations there as before. Maj General Ruamsak Chaikominot, deputy for Region 3, leader of the withdrawing forces and for setting up a 19-square-kilometer base of operations outside, is encountering problems setting up a battalion-level base of operations at Ban Bobia and increasing his artillery forces. Greater shooting power is required for self-protection--otherwise the sounds of Lao guns will continue to increase. Army Region 3 must increase the use of mass psychology with the Laos to the greatest possible extent, because when we are silent, Radio Vientiane comes on the air more strongly than us, emboldening her people and attacking us daily. But it appears that policy at high levels is to remain silent as that area is closed to all branches of the media. /text/ /Bangkok LAK THAI in Thai 25 Oct 84 p 6/ 9937

ROYAL PALACE ON KING'S HEALTH--On 3 December his majesty the king began to suffer from symptoms of a cold and later from a slight temperature. A doctors' panel gave him an X-ray this afternoon and diagnosed that the king has a cold but suffers no heart or lung symptoms. The king's temperature was normal today. The doctors' panel has recommended that he rest. [Text] [6 December Royal Household bulletin] [Bangkok Domestic Service in Thai 1300 GMT 6 Dec 84 BK]

CSO: 4207/65

MILITARY AFFAIRS AND PUBLIC SECURITY

ARMY EDITORIAL ON MILITIA, SELF-DEFENSE TRAINING

Hanoi QUAN DOI NHAN DAN in Vietnamese 28 Sep 84 pp 1, 4

[Editorial: "Conducting Inspections, Learning from Experience and Providing Timely Guidance in Order To Improve the Quality of Militia and Self-Defense Training"]

[Text] Conducting inspections, learning from experience and guiding training are routine efforts designed to improve the quality of training and the ability to maintain combat readiness. The militia and self-defense forces are citizen-soldiers. Their organization, tasks and functions are not the same as those of standing troops; therefore, it is even more necessary for the militia and self-defense leaders and commanders of the various levels and sectors to attach importance to conducting inspections, learning from experience and correcting shortcomings in the training process and strictly adhere to the training program and schedule within the localities, agencies and enterprises.

We are about to conclude another training year. The militia and self-defense training movement is in an intense and spirited stage everywhere in the country. Practically all militia and self-defense units are focusing their efforts on training in preparation for inspections and the Determined To Win emulation competitions and in order to record an achievement in celebration of the 40th anniversary of the founding of the People's Army. Some militia and self-defense units within the Capital Military Region, the Quang Ninh Special Zone and the 7th Military Region have conducted inspections and held Determined To Win competitions in all subjects studied during the training year. The competitions held on each level clearly show the results achieved by units in their training and serve as a basis for gaining experience and for providing additional training to correct the mistakes of weak units and correct specific weaknesses while discovering new factors, cultivating and increasing the number of advanced models and selecting forces to participate in the competition on the upper level. Units have employed a variety of ways to inspect training: the upper level inspecting the lower level and units inspecting one another; scheduled inspections coordinated with unscheduled inspections and so forth.

However, not all units are able to hold competitions for the purpose of conducting inspections, yet they must not limit themselves to merely

conducting inspections on training grounds. Inspection work consists of inspecting plans, inspecting training subject matter, inspecting the unit's organization, inspecting the quality and effectiveness of training and inspecting the plans that the commander has for coordinating with other forces in combat and dealing with various situations. Coordination between the party committee and commander of the locality, agency or enterprise in managing militia and self-defense forces during inspections as well as in organizing and guiding training is necessary, cadres who conduct inspections must be specific, thorough, objective and scientific. They must be determined to combat and correct the practices of providing training that is training in name only, providing training that is general in nature, reducing the amount of time spent on training, deleting subject matter from the training program and giving light attention to discipline on training grounds.

During the final months of this year, many different jobs must be performed at once at production units. As a result, militia and self-defense commanders must establish balance among their tasks in order to strictly adhere to the training plan and training regulations and guide training activities.

As regards the militia and self-defense units along the border and on the islands, where it is often rainy and cold during the final months of the year, training inspections must be intensified even more with a view toward overcoming the fear of difficulties and hard work, which leads to training not being closely tied to actual combat conditions, to training equipment and the weapons used in the maintenance of combat readiness not being properly maintained and breaking down and so forth.

In order for training to be of high quality and consistent with actual combat conditions and in order to maintain security and order well, it is necessary to frequently conduct inspections and learn from experience. Closer guidance must be provided and there must be strict adherence to regulations and procedures in the training process.

7809

CSO: 4209/58

MILITARY AFFAIRS AND PUBLIC SECURITY

MANAGEMENT OF RESERVE OFFICERS BY DISTRICT CALLED MORE EFFECTIVE

Hanoi QUAN DOI NHAN DAN in Vietnamese 28 Sep 84 p 3

[Article by Lieutenant Colonel Pham Van Truc: "The Registration and Management of Reserve Officers on the District Level"]

[Text] In our country, the registration and management of reserve officers are still matters that are quite new to us. This work has only been under way since the adoption of the Military Service Law; however, it is being carried out gradually, being carried out at one place at a time and has not become a widespread, well coordinated practice throughout the country. This is a large job of strategic importance in the work of building and defending the fatherland both in the immediate future and over the long range. Therefore, during the past several years, the Cadre Department of the Ministry of National Defense and the concerned agencies within and outside the army have been providing guidance, observing developments, correcting mistakes, conducting pilot projects, conducting reviews and learning from experience in order to accelerate the registration and improve the management of reserve officers within each locality and installation throughout the country, especially on the district level, which is the administrative unit that directly manages reserve officers. The realities of the registration and management of reserve officers on the district level during the past several years have revealed many strengths and weaknesses and different causes, lessons and experiences. Here, we will only concentrate on two matters of primary importance:

Leadership and Guidance Must Be Consistent and Unified

On the district level, leadership and guidance are provided by the district party committee, the people's committee and the agencies, committees and sectors within the district, among which the district military agency plays the central role and serves as the staff of the local party committee echelon.

After the adoption of the Military Service Law, not everyone had a correct understanding of the importance of the work regarding reserve officers. Within some district agencies (even among managers), light attention was given to this work, consequently, no attention was given to leading and guiding the registration and management of reserve officers, considering these jobs to be the special work of the district military agency. This less than full understanding of the matter directly influenced the persons who perform this work. And, within these localities, the registration of reserve officers has been largely a matter of form. Initial procedures are not followed up by supplemental registration procedures in order to keep abreast of changes and assess the quality of specialized skills. This has led to a failure to

closely manage reserve officers. It was not until after the adoption of Council of Ministers' Decree 153 and the directives and instructions of the upper echelon together with the intensification of guidance by specialized agencies that the districts have gradually come to recognize the position and role of work regarding reserve officers and clearly understand the responsibilities of the individual and the agency collective. Within a short amount of time, many districts were focusing their efforts on improving the registration and management of reserve officers and gradually establishing good procedures and practices. These are the districts of Quynh Phu in Thai Binh Province, Thuan Thanh in Ha Bac Province, Dong Anh in Hanoi, Vinh Lac in Vinh Phu Province, Quynh Luu and Hung Nguyen in Nghe Tinh Province, Hoa Vang and Tam Ky in Quang Nam-Da Nang Province and others. Practically all of the districts that perform this work well have one thing in common: they provide unified leadership and guidance and have established close coordination between the district military agency and the district party committee, the district people's committee and the agencies, committees and sectors of the district. In Hung Nguyen District, the district party committee secretary has said: "Local military work, in general, and the work involving reserve officers, in particular, are an important part of the work of the district party committee, the people's committee and the government. The district military agency acts as the staff assisting in this work and is the central force." This correct realization is the common realization of those districts that are putting this work on a regular basis. In their effort to put this work on a regular basis, these districts have displayed a high degree of unity in their leadership and guidance and close coordination among the various sectors and committees. In Quynh Phu, a good procedure has evolved from the district's efforts: each quarter, the villages report to the standing committee of the district party committee on the number and quality of reserve officers, new arrivals, replacements and even changes in their thinking and lifestyle. Before reporting to the district, the villages meet and exchange opinions with the members of the "core" of the standing unit of reserve officers. Once it has assessed the situation, the district party committee issues a resolution on leadership, management, studies, training and political and ideological education. Each month, the villages set aside the night of the 15th as "reserve officers night." All of the villages' reserve officers assemble on that night to listen to talks on current events and explanations of policies, regulations and the various forms of cultural, literary and art activities. This practice is maintained because the district party committee has adopted a resolution concerning it and assigned the military agency, the Youth Union, the Women's Union, the Front, the culture-information agency and the propaganda-education agency the responsibility of working together to organize activities and putting persons in charge of them. Some citizens of the district use reserve officers activity day to remind and encourage their husbands and sons to participate. In Quynh Phu, Thuan Thanh, Vinh Lac and Dong Anh District, the management of reserve officers is not simply the work of the district military agency. In the past, when officers returned to their localities to live, they usually did not register with the village military organization for several months. Sometimes, a half year or whole year passed without the village registering these persons. However, once the districts began leading and guiding the various bureaus and committees in a coordinated effort, the work of registering and managing reserve officers was quickly put on a regular basis. The Grain Bureau sells rice to returning officers who have served their tour of regular duty, provided that they present the necessary paper from the leader or assistant leader of the village military unit. The Labor Bureau accepts requests from reserve officers for employment in the different sectors when they present a letter of introduction from the village military organization. The public security sector also requires a letter of introduction from the village military organization when completing

the procedures for a reserve officer to move to another locality. And a letter from the village military organization is required by the agencies and organizations of the party and government of the district, the Youth Union and the new economic committee when accepting or relocating reserve officers.

Clearly, when there is a correct understanding of the importance and tasks involved in work regarding reserve officers, when the leadership and guidance provided within the district are unified and when efforts are coordinated, the basis is laid for carrying out the registration and management of reserve officers well. During the past year, this experience has been disseminated within certain provinces and military regions and become a widespread practice, thus gradually putting this work on a regular basis. However, the building of model units and the effort to increase the number of such units are proceeding slowly and investments have not been focused on this work, especially in the provinces of the 7th and 9th Military Regions.

Training and Strengthening the Corps of Cadres Who Specialize in Reserve Officer Work

The training and strengthening of the corps of cadres who perform reserve officer work were initiated as soon as we began to carry out this work. However, due to many different reasons and the specific circumstances at each place, these matters have yet to receive full attention. The common problem that emerges from the realities of the registration and management of reserve officers is that the corps of cadres who specialize in reserve officer work is inadequate and weak and has not been promptly supplemented and trained. At some places, these specialized cadres are transferred to other jobs, thus creating instability and making it impossible for them to become highly specialized, impossible to establish good coordination among them and impossible for them to gain very much experience.

In view of the situation we face in reserve officer work, a situation that is quite new to us, we must have a corps of specialized cadres who are fully capable of serving as the command staff of the party committee in the registration and management of reserve officers, capable of organizing, propagandizing and teaching politics and ideology to reserve officers, capable of establishing good practices in work, activities, studies and so forth.

In some districts in which the registration and management of reserve officers are not well organized, the basic reason for this problem is that the people (including reserve officers) do not have a full understanding of the decree on reserve officers or the circulars, regulations and policies of the state. This is mainly the responsibility of those who specialize in reserve officer work. At some places, because they take a simplistic approach toward this work and possess limited skills, specialized cadres have organized the registration of reserve officers in a very crude fashion, usually failing to clearly and precisely record the officer's military specialty. As a result, they keep encountering difficulties when assigning these officers to the staff of units within the technical branches. Although an officer might have been in the artillery, there are many different types of artillery. And many different specialties are associated with each type of artillery. Some specialties can be practiced in exactly the same way in another branch but some can only be practiced within the artillery. Some persons are registered as air force officers who actually only performed rear service work in the air force. The purpose in noting this is simply to point out that it is very necessary for those cadres who perform reserve officer work to be patient, meticulous, specific and scientific in their work and for these qualities to be motivated in them through training.

In all those districts that perform reserve officer work well, we see that many efforts have been made to train and strengthen the corps of cadres. Dong Anh District in Hanoi recently assigned to each installation one cadre who specializes in reserve officer work. These persons were given 10 days of training within the district in the registration and management of reserve officers. The district people's committee has issued a decision that entitles these cadres to the same systems and standards as the commanders of the village military units. All 24 of the specialized cadres in the district's 23 villages and 1 town are party members who have fulfilled their military obligation.

Together with strengthening their organization and providing them with professional training, there is also a need to provide the corps of cadres who specialize in reserve officer work with benefits that comply with regulations to insure them of stable living conditions and insure that they are content with their work over the long range. This corps of cadres is the nucleus of the effort to put the activities involved in reserve officer work on an increasingly regular basis.

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CSO: 4209/58

MILITARY AFFAIRS AND PUBLIC SECURITY

BORDER TROOPS IN THREE PROVINCES MAINTAIN ORDER, SECURITY

Hanoi QUAN DOI NHAN DAN in Vietnamese 22 Oct 84 p 3

[Article by Hai Hung: "Military Region 4 Border Troops Coordinate Action With Friendly Units To Defend Border, Mountains and Sea "]

[Text] In order to maintain security on the border and mountains and along the coastline, the border troops of Thanh Hoa, Nghe Tinh and Binh Tri Thien Provinces recently sent hundreds of basic-level groups to border and coastal villages to coordinate their action with the local administrations and public security forces in organizing courses for the people to learn the procedures about borders and territorial sea and enemy plots, maneuvers and activities in their multifaceted war of destruction.

The border outposts on mountains and the coast were closely coordinating their activities with militia and self-defense forces in maintaining regular armed patrol and sending cadres to reinforce the key and entry-point areas. As a result, in some localities where the bad people had been urging other people to do illegal business across the border and distorting the solidarity between Vietnam and Laos, the local people, administration and basic-level border units were able to prevent such activities.

The coastal outposts, which were coordinating their activities on a regular basis with the naval forces to patrol and check the coastline and estuaries, were able to discover in time the presence of Chinese boats, which came in and bribed fishermen with psychological-warfare goods. Recently the border troops in Military Region 4 discovered 17 cases of the bad people making contact with outsiders to plot border crossings and fleeing by the sea.

In Thanh Hoa, the border outposts on the mountains between us and Laos organized coordinated patrol of the border for the protection of the latter and border markers. As a result, illegal farming and settlement, and border crossings against regulations, were quickly resolved and overcome.

In Nghe Tinh, the districts that share the border between us and Laos and the border outposts that are facing one another have been giving information to one another and drawing experience from the methods that were applied for maintaining security on the border. The activities of the Lao in-exile reactionaries aimed at colluding with the Vang Pao bandits and making contact with the Chinese Vietnamese reactionaries were discovered.

Binh Tri Thien Province launched a movement throughout the province for learning from Tan Phuoc Village (Trieu Hai District) as a model in the "Be masters in security" movement.

Thanks to a close coordination with the friendly units, the Military Region 4 border troops recently were doing a good job in maintaining security in the sea and mountains and order and social security within the military region.

5598

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MILITARY AFFAIRS AND PUBLIC SECURITY

SECURITY OFFICER DETECTS FLEEING BOAT, REFUSES BRIBE

Hanoi QUAN DOI NHAN DAN in Vietnamese 24 Oct 84 p 3

[Article by Pham Ngoc Toan: "Security Front -- Roll of Paper Money From Boat Owner "]

[Text] As he did every time he was going to his assigned work place, Second Lieutenant Tran Di (border outpost 652 in Phu Khanh Province) was keenly observing everything around him. That habit has become a quick reflex of this devoted border cadre. From Canal R a small junk was slowly moving toward the estuary. It was strange, at that time of the day, that a junk was still heading toward the sea. That was not a net-equipped junk, nor a fishing boat. It had quite a heavy load to carry, as shown by a large part of its hull being under water, and therefore was unable to move fast. The skipper seemed to have seen the border combatant as he steered his vessel toward the far bank. Tran Di ran to the river bank, called aloud and suggested that the junk turn around for a check.

The junk was getting nearer. He saw ~~in it~~ ^{on it} about five or six people, who all looked unusually confused.

" You can check us, " the skipper said smilingly. " I am carrying a few of my own folks to a death-anniversary dinner. That's all! "

" Please understand, " Di said, cheerfully, " this is our task to do! "

As he examined the papers of the people aboard and their luggage, he found they were not relatives, nor did they have all of the necessary papers, except for the large quantities of luggage. It was obvious to him that these people were prospective boat people.

" Your junk is carrying people and cargo to a big boat for fleeing by sea, " he said. " I suggest that you bring your junk to our border outpost where we do our job. "

The countenance of the persons aboard the junk suddenly changed. They looked at one another, and at the owner as if they asked for help. The man had a brief moment of hesitation and then walked over toward Di and gave him a thick roll of paper money.

"My young brother, please understand," he pleaded. "Take these 3,000 dong to spend, just as a token of 'getting acquainted with each other.' I'll do even better the next time and won't let you down."

Tran Di pulled back his hand as it had just touched a snake. He had guessed that they would certainly try to bribe him, but he still felt deeply hurt. It was true that his family was being in a difficult situation of want. Compared to his salary, 3,000 dong would be a very big sum, but money was something that would be gone. As to the priceless qualities and morality of a revolutionary combatant, if they were to be lost, they would never be had again. Tran Di then looked straight at the boat owner's face and had this to say:

"You have committed the crime of carrying people in an attempt to flee by sea and now try to bribe a border combatant fulfilling his duty. I warn you about your act of bribery. I suggest that you all follow me to the outpost for a solution."

Knowing that they could not use money to influence the border combatant, the persons who were illegally fleeing by sea had to follow Tran Di to his office where they later had to sign criminal-offense reports.

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MILITARY AFFAIRS AND PUBLIC SECURITY

ARTICLE BRIEFLY TRACES HISTORY OF MILITARY ACADEMIES

Hanoi QUAN DOI NHAN DAN in Vietnamese 26 Oct 84 p 3

[Article by Phu Duc Thanh: " Understanding Our Army -- Army Military Academy "]

[Text] The Vietnam Army Military Academy was the earliest school that trained officers for the VPA. It went through a proud historical period, was called by different names and was linked with the development of the revolution in general and the army in particular.

Its forerunner was the Anti-Japanese Military and Political School, which had been established in a valley within the boundaries of Xung Phong Village, Tan Trao District (Tuyen Quang Province) in accordance with the resolution of the Tonkin Military Conference held from 15 to 20 April 1945 in Hiep Hoa (Bac Giang Province). After the August Revolution the school was called Vietnam Military and Political School. Between May 1946 and October 1947 it was called Tran Quoc Tuan Military Academy.

From November 1947 to September 1949 it was called Tran Quoc Tuan Army Middle School. After October 1949 its name was Vietnam Army School.

Today a network of army military academies has come into being to assist in the building and combat undertaking of our army:

- The Army Military Academy I, located in the North.
- The Army Military Academy II, located in the South, the forerunner of which was the Regional Primary-Level Military and Political School, established on 27 August 1961 in a base in the liberated zone.
- The Army Military Academy III, located in the central part and established on 2 November 1981.

After nearly 40 years of building, training and combat, these army military academies have matured, scored outstanding achievements, trained hundreds of thousands of officers and satisfied in time the requirements of the armed forces in different stages of development of the revolution.

Many generals, high-ranking officers and heroes of the armed forces were graduates of these academies. The latter have received many precious awards from the party, the state and Uncle Ho as they deserved being the centers for training the armed forces' commanding officers and for military scientific research of the VPA.

The army military academies have the task of training commanding officers at the detachment level for the services that make up the many branches, such as infantry, motorized infantry and reconnaissance commanding officers necessary for a modern army.

Cadets in training to become infantry commanding officers will study a great deal of tactics for various armed services and be trained to use in an outstanding manner many kinds of weapons that are available at the detachment level.

Cadets in training to become motorized infantry and motorized-infantry reconnaissance commanding officers will learn to operate armored vehicles and cars and study the art of using such military means in combat.

Cadets in training to become infantry reconnaissance and special-task reconnaissance commanding officers will learn karate, parachuting and other special combat knowledges.

The army military academy faculties consist of cadres who have become hardened and mature in combat, taught for a long time and received basic training in the country and abroad. They are under favorable conditions for harmoniously combining theories and practice, creating a combined strength capable of transmitting the necessary knowledges and information to students and contributing to fulfilling the training task assigned by the ministry.

The army military academies have been able to build relatively complete training facilities and a system of training grounds for coordinated activities; specialized lecture halls, including foreign-language teaching halls, laboratories, shops, motorized vehicle sections, technical weapons sections, etc. are gradually being provided with modern equipment. Libraries with hundreds of thousands of books of all kinds create favorable conditions for students to expand their general knowledge. As to foreign textbooks, there are enough of them to help them to go through the curricular requirements, which serve as a basis for later research in military science in foreign languages.

MILITARY AFFAIRS AND PUBLIC SECURITY

ILLEGAL TRADING ACTIVITIES REPORTED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 15 Sep 84 pp 1,4

[Article by T.Q.T. and D.T.: "Investigation, Uncovering Many Cases of Speculation, Smuggling, Unauthorized Trading; Binh Thanh Ward Daily With Violations Against Economic Management"]

[Text] SGGP--Market management forces at all levels in the city have investigated, uncovered, and prosecuted many cases of unauthorized business practices, speculation, smuggling, and tax evasion. According to data that is still incomplete, since the beginning of 1984, market management units have uncovered 3,121 cases of unauthorized practices, including cases of exploiting loopholes in financial management in order to make sales and conduct unauthorized practices in a place of production or trade. In the 11th Precinct, a weaving cooperation team which contracted to buy a large quantity of thread was investigated and fined 5.9 million dong for not putting the thread to use in production, but selling it on the market instead. Another weaving cooperative in the 6th Precinct was fined more than 4 million dong for buying thread and using it for weaving without declaring it and taking the textiles and selling them on the market.

A soap production team in the 5th Precinct which contracted to perform processing and then took the state's soda out and sold it on the market was fined 263,492 dong. In the 1st and 5th Precincts, two warehouses of private-trade import-export units were discovered full of contraband, and the units were prosecuted.

Nevertheless, there are presently still many shortcomings in investigation work on production and business activities. Economic and financial management regulations are not being closely and effectively observed in relations between agencies concerned, causing loopholes for criminals to exploit.

The cooperative trade sector of Binh Thanh Ward coordinated with committees, sectors, and mass organizations to uncover and promptly prosecute many cases of violating the principles of socialist trade.

A number of units which, like consumer cooperatives in Subwards 2, 10, 17, and 22, still pursued profits and trade volume, merchandized hands in hand, and neglected their mission to provide service were prosecuted and were fined.

amounts equal to the difference between the cooperative price and market price. A number of cadres and members of the Subward 7 Consumer Cooperative were uncovered and prosecuted for forging documentary evidence, seriously damaging the economic management system, at a cost of 200,000 dong.

The cooperative trade sector of Binh Thanh Ward investigated the activities of 26 subward consumer cooperatives. Consumer cooperatives in Subwards 12, 21, 2, 14, 1 and 25 stayed in the "A" class; consumer cooperatives in Subwards 26, 23, 18 and 28 moved up from a rating of "poor" to one of "fair."

9830

CSO: 4209/47

MILITARY AFFAIRS AND PUBLIC SECURITY

GANGS ARRESTED FOR MAKING, DISTRIBUTING COUNTERFEIT BEER

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 20 Sep 84 p 2

[Article by H. T.]

[Text] Over a 1-week period at the end of last August, public security cadres and troops of Subward 23, Tan Binh Ward, in close cooperation with the masses, made arrests in three cases of making and distributing counterfeit beer in the subward; the bootleggers were caught in the act.

The first case took place 22 August 1984. Informed by the people, the subward public security forces investigated an establishment on Au Co Street for non-compliance with laws of doing business--the people had said a gang resided there which "brought empty bottles and night after night carried beer out of the establishment." Knowing for sure from the investigation that this was a bootlegging operation, the subward public security forces and neighborhood shock youth forces developed measures for catching them in the act. At the residence, the public security forces caught a gang, led by Ngo Quoc Thang and Nguyen Van Thanh, in the act of bottling counterfeit beer. On the premises, on a table with a surface of several square meters, this gang had, in disordered array, bottles, jars, draft beer (used to make counterfeit beer), and caps, all very unsanitary.

A few days later, the subward public security forces uncovered another case of illegal production and distribution of counterfeit beer in the subward. Seeing that many gangs were being exposed, this gang operated more secretly. Although everything was done late at night, however, the activities did not escape the notice of the local people. This gang of crooks were caught in the act of boiling beer and pouring it into bottles--counterfeiters take draft beer and boil it before bottling. In many of the bottles already capped, the public security personnel found dirt, sand, and legs and heads of cockroaches; one of the gang defended this with: "It is too dark this late at night for us to keep things clean." Immediately after the second case had been wrapped up, people of the neighborhood told the public security forces to arrest yet another gang of bootleggers with the same modus operandi as those above. Two culprits, Thien and Hung, had come from a nearby subward and had just begun operations about 30 minutes before they were arrested.

A characteristic common to the three gangs was that they "processed" beer with complete disregard for the health of consumers. The general practice of these

range is to buy draft beer, boil it, add a little cognac or "Bink Beer" liquor--and those ingredients are all that are needed to make hundreds of bottles of beer just like the real thing--you can't tell it is counterfeit until you taste it--to distribute on the market. Also, the utensels used in the processing are very unsanitary.

2830

CSD: 4202/47

MILITARY AFFAIRS AND PUBLIC SECURITY

INVESTIGATION OF A CASE OF STEALING CEMENT DETAILED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 20 Sep 84 p 3

[Article by Le Tien Tuyen: "The Circuitous Path of 340 Tons of Cement"]

[Text] From 100 Bags of Cement on the Black Market....

One afternoon this year, when 100 bags of cement were unloaded from a truck at the house of Nguyen Thi Ngo in the Hoa Hung neighborhood of Subward 21, 10th Precinct--an area associated with the sale of building materials--many neighbors were surprised and asked themselves why state-controlled goods had been openly delivered for sale to a private merchant.

Thanks to timely information from the masses, the economy police unit of the 10th Precinct conducted an investigation and caught Nguyen Thi Nga and Ly Thanh Van in the act of illegally selling cement for private business at 450 dong a bag. Detailed study into the matter revealed that the cement, bearing the brand name of the Ha Tien Cement Factory (Thu Duc), had been transported on a factory vehicle, but the warehouse release form had been signed by the marketing cooperative of the Town of Tien Luong, Ha Tien District, Kien Giang Province. Also, Nguyen Thi Nga and Ly Thanh Van confessed that they were selling cement at a commission (50 dong per bag) for one Le Thanh Bach. Where did this contraband come from? Who was Bach?

...To a Reciprocal Contract for 340 Tons of Cement

At the Ha Tien Cement Factory it was learned that at the beginning of this year Kien Luong Marketing Cooperative had sent Le Thanh Bach, the deputy manager of the cooperative, to the factory to negotiate the sale and exchange of merchandise. A contract was signed documenting the agreements reached between the two sides: Kien Luong Marketing Cooperative would supply the factory with limestone (quarried in the province by the cooperative); Ha Tien Cement Factory would sell cement to the cooperative for 100 dong a bag (40 kg)--the formula would be "two limestone for one cement."

The factory contracted to provide Kien Luong Marketing Cooperative 340 tons of cement (nearly 7,000 bags) the first 6 months of the year.

But these goods did not go to Kien Luong, but went out on the "free" market via a circuitous route laid out by Le Thanh Bach. The director of the cooperative stated that at the beginning of the year, the cooperative sent Deputy

Director Le Thanh Bach to Ha Tien Cement Factory in the city to arrange the sale of limestone for the cooperative. Upon returning from his trip, Bach reported that he had "completed his mission," and had sold the limestone to the factory and brought back money for the cooperative's treasury. Some time later, Bach asked for time off because of "family difficulties." (?) And the management committee knew nothing about the reciprocal contract for 340 tons of cement which Le Thanh Bach had signed for the cooperative, nor the warehouse invoices and permits to take the cement and sell it in the city. Nor did they know into whose pocket the cash difference went--the factory price was 100 dong, while the price on the market was 450 dong a bag.

During the search for Bach, people in Kien Luong said that he had taken his entire family to the city and usually resided at Hoan Vu Hotel.

A Ring for Exploiting the Name of a Cooperative To Engage in Smuggling

After 4 days of surveillance at Hoan Vu Hotel, with the warmhearted cooperation of the hotel management board, the economy police arrested Duong Thi Boi and Le Tan Duc (the wife and son of Bach) for using documentation of the Kien Luong Marketing Cooperative to conduct unauthorized marketing activities in the city. Duc confessed that Bach had furnished him with documents (with the stamp and signatures of the Kien Luong Marketing Cooperative) for contacting and engaging in trade with dishonest merchants to distribute the above cement on the market for profit. And Bach was arrested in the act of going to the Ha Tan Patterned Brick Pressing Factory to pick up money for the sale of cement. With 65,000 dong in his hand and other evidence, Bach could only bow his head and admit his guilt. According to his confession, after he went to the city to sign the limestone and cement reciprocal contract, when he held in hand the difference in cash between the factory price and the market price, he calculated that if he sold out completely, with this contract alone, his income would be no less than 2 million dong. Obsessed with greed, Bach decided to use the name of the cooperative to make money. He hid the matter of signing the contract and took time off. Taking advantage of his position as deputy director, he took a set of papers, forms, and other documents with the stamp of the cooperative, then took Duong Thi Boi, his wife, Le Tan Duc, his son, and Ly Thanh Van, his nephew, to the city to make contacts for the sale of the contraband.

Bach also organized a private boat crew to transport limestone up from the province to obtain cement at Ha Tien Cement Factory (Thu Duc). After he had the goods, Bach contacted customers, like the Ha Tan patterned brick factory, Vo Van Duu, and a number of marketing cooperatives and private construction materials sales outlets in the 1st, 4th, and 10th Precincts and Binh Thanh Ward to distribute the goods. Bach also contacted Nguyen Thi Nga to act as a middleman and as a place of unauthorized storage of the cement.

Thanks to the alertness of the masses and the high resolve of the economy police of the 10th Precinct, a ring for exploiting the name of a cooperative to engage in smuggling and to ruin the market was completely wrapped up, and the crooks were exposed. Bach had previously been the manager of a fish sauce company, so he was familiar with fraudulent sales and business. Due to a wide network of many contacts, he was appointed deputy director in charge of business operations of a cooperative. Although he was in a cooperative, his mind was still bent on schemes and fraudulent practices.

We have been told that Kien Luong Marketing Cooperative has learned lessons from this case on the use and control of bad personnel and on loopholes in the management of business activities that allow culprits to use the name of the cooperative for illegal practices. The Ha Tien Cement Factory also learned the important lesson that joint action and the exchange of goods must be stricter, and, especially, the importance of procedures for documents and forms, the issue and receipt of goods, and timely investigation and discovery of bad elements using the name and papers of agencies for crime.

This case of 340 tons of cement furthermore proves the evil nature of dishonest merchants and at the same time provides lessons for all production and business units.

9830

CSO: 4209/47

MILITARY AFFAIRS AND PUBLIC SECURITY

THIRD

PRIVATE CLINICS CLOSED DOWN--(2072)--After complaints from the people, the medical sector of the 1st Precinct held surprise inspections and decided to close down eight illegal private clinics. Not complying with regulations of the medical sector of the city on examinations and treatment of disease, the eight clinics (with three doctors, three medics, and two practitioners of oriental medicine) evaded professional registration and arbitrarily performed operations, used X-rays, and sold drugs (which are prohibited to private institutions) at excessive charges. After thorough investigation of charges, the medical sector fined the eight clinics 39,000 dong and confiscated all the equipment being used illegally. Many doctors who work overtime applauded the closing of the eight illegally operating clinics and consider these illegal activities to have an adverse influence of the after-hour examination network which positively implements the state system with examinations and treatment of peoples' illnesses. [Article by Q. K.] [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 20 Sep 64 p 4] 9830

CRIMES IN 1ST PRECINCT--(2071)--During this past August, thanks to exposure by the people, the market control unit of the 1st Precinct solved 356 crimes of smuggling, making counterfeit goods, and violating laws on registering business activities. Goods hidden by smugglers and recovered by the people totaled nearly twice those of the month before and included many goods centrally controlled by the state. Among the violations dealt with were cases of buying and selling foreign currency, making counterfeit RMB, and using an agency's purchasing account to buy coal, without bringing it back to the agency. [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 19 Sep 64 p 4] 9820

END: 4307/AT

PARTY ACTIVITIES AND GOVERNMENT

MORE TRAINING FOR BASIC YOUTH UNION CADRES CALLED PRESSING NEED

Hanoi QUAN DOI NHAN DAN in Vietnamese 26 Sep 84 p 2

(Article by Trung Hien: "New Mechanism Creates Good Conditions for Youth Union Work")

[Text] In order for the activities of the Youth Union to yield practical results and attract the young, unit leadership and command echelons must not only constantly concern themselves with encouraging the shock activities of youths, but must also constantly attach importance to strengthening the organization and improving the skills of the corps of Youth Union cadres and helping the Youth Union organization improve the way its activities are conducted.

The establishment of the new mechanism within the army has created good conditions for strengthening the Youth Union organization. The regimental echelon now has five specialized Youth Union cadres instead of only one youth assistant. On the battalion echelon, whereas there used to be no one in charge of supervising youth work, there is now a Youth Union secretary in charge. The corps of Youth Union cadres has been strengthened and organized better, thereby markedly improving the results achieved through the activities of the youth movement within units.

Through an examination of youth work in the 27th, 48th, 14th and 77th Units, we found: together with strengthening the corps of Youth Union cadres, the various leadership and command echelons have also been helping the Youth Union organization formulate specific regulations governing Youth Union cadres and define the official duties of Youth Union cadres in detail. As a result, persons who have been put in charge of youth work see what their role and responsibilities are, are activists and take the initiative in promptly reflecting the opinions and aspirations of youths and presenting the plan of the Youth Union organization for the coming period so that leadership and command echelons can adopt plans for providing assistance, thus insuring that the activities of the Youth Union are not divorced from the central task of the unit.

Within some units, one matter that has arisen in the course of strengthening the Youth Union organization has been the selection and assignment of Youth

Union cadres. The secretary of the basic Youth Union organization of the 77th Unit said:

"After a number of cadres and soldiers who possess good qualities and are respected were appointed to the Youth Union Executive Committee, the activities of the youths of the 77th changed for the better in many ways. However, in Youth Union Chapter B, the youth movement continued to be weak. It was not until he looked into this situation that the unit commander learned that the secretary of Chapter B, although a good person who set examples for others to follow, was a quiet person who had little interest in sport, cultural and literary activities. Many of the Youth Union members and youths in the unit jokingly called the secretary of the Youth Union chapter 'old fellow.' When he learned of this, the unit commander suggested that the chapter select another person to serve as secretary, someone who possesses good qualities but is also dynamic, active and intensely interested in Youth Union work. With the selection of a new secretary who knows how to perform Youth Union work, the movement has gradually flourished within Chapter B. Lectures, literature and art festivals and physical training festivals have truly attracted youths and spurred the completion of each of the unit's tasks. Last year, Chapter B surged forward to become the leader of the joint chapter."

According to the Youth Union secretary of the 77th Unit, when selecting persons to perform youth work, besides examining their personal qualities and skills, it is also necessary to look for persons who possess a talent for youth activities and work. Within many units, the number of Youth Union cadres, from specialized Youth Union secretaries to chapter secretaries and so forth, that has received professional training in Youth Union work is not high and their skills are still underdeveloped, consequently, Youth Union activities have unavoidably been uninteresting and characterized by confusion. Consider the following few examples.

At the height of the construction season, the 14th Unit was given the task of completing key project X as quickly as possible. At the very same time, the secretary of Chapter T launched a housing repair drive. Of course, this drive yielded very low results because it conflicted with the unit's central task. In the 27th Unit, while the unit was preparing for marksmanship training and endeavoring to achieve the highest possible results in the marksmanship inspection that concluded the first stage of training, the secretary of Joint Chapter C launched an emulation campaign to plant vegetables on bare hills. This emulation campaign also achieved very low results because the Youth Union directed its efforts in the wrong direction.

Situations such as those described above are due partly to the fact that unit leadership and command echelons have not been very concerned with or kept abreast of the situation and have not provided detailed instruction and guidance; however, they have mainly been due to the failure on the part of Youth Union cadres to closely guide Youth Union activities and the lack of sensitivity and creativity on their part.

The leadership and command echelons in the units mentioned above clearly saw their responsibility and truly concerned themselves with helping to improve

the skills of Youth Union cadres and helping them to clear up matters about which they were confused.

Last year, 1,962 persons in the 27th Unit and the 48th Unit received professional training in Youth Union work and 159 cadres were elected to augment the various Youth Union executive committees. More than 200 executive committee members from the chapter level upward were brought together for advanced training in the specifics involved in organizing youth activities, in the methods of operation of a chapter executive committee, the holding of chapter conferences and so forth.

In many units, the effort to improve the skills of Youth Union cadres has not stopped at holding training classes, but includes on-the-job training as well, thereby yielding very good results. The 48th Unit sent a team of cadres consisting of a management cadre, a specialized Youth Union secretary, an organization assistant, a propaganda and training assistant and so forth to "assess the situation" on the basic level for awhile and observe each activity of the youths there, from the drafting of resolutions and the holding of Youth Union meetings to the launching of emulation drives and the supervising of emulation. Then, they analyzed each strength and weakness in each activity of the secretary and each Youth Union Executive Committee member, thereby helping Youth Union cadres "clear up" matters concerning which there was very much confusion.

In the 27th Unit, a different experience has been gained. When the unit encountered difficulties and its Youth Union cadres did not know how to mobilize or teach youths, the commander suggested to the Youth Union organization that a youth conference be held so that youths could make suggestions of their own. At the two conferences that were held, Youth Union members and youths offered very many creative suggestions that had the effect of resolving the unit's difficulties. Tapping the collective intelligence of the young is a useful and profound lesson to Youth Union cadres.

Improving the skills of Youth Union cadres demands close, detailed guidance. On the basis of the initial experiences that have been recorded here, the following conclusion can be reached: the implementation of the new mechanism within the army has created good conditions for the strengthening of the Youth Union organization. At present, improving the skills of Youth Union cadres is a pressing requirement facing all basic Youth Union organizations.

7609

CSO: 4209/58

ECONOMIC PLANNING, TRADE AND FINANCE

SOUTHERN PROVINCES EXPAND COMMERCE NETWORKS

Hanoi QUAN DOI NHAN DAN in Vietnamese 30 Sep 64 pp 1, 4

[VNA News Release: "Dong Thap, An Giang and Ben Tre Provinces Expand Their Commerce Networks and Control the Market in Several Essential Goods"]

[Text] Along with managing and transforming 50 private rice merchants and eliminating 20 private pork stands at the Cao Lanh Market, Cao Lanh City in Dong Thap Province has established a commercial grain corporation, established commercial grain stores in the city's center and in the subwards and villages and opened eight state-operated pork counters and nine cooperative pork counters. All commercial stores of the commerce sector within the city operate in shifts, serving customers from 0530 hours in the morning to 2100 hours. The beverage stores remain open until there are no more customers to serve.

The Cao Lanh City commerce sector has strengthened its economic ties with the various localities, thereby creating additional sources of goods, and has expanded the business activities of the general merchandise stores, agricultural product stores, restaurants, beverage stores and tailoring shops, thereby gradually gaining control over the market.

An Giang Province has opened nearly 200 service installations of the state-operated commerce sector and marketing cooperatives, a two-fold increase compared to 1963. The majority of the food service installations, barber shops, hair salons and tailor shops are located at transportation hubs, at markets and within densely populated areas. All food service installations have been augmented with additional service personnel and skilled cooks have been selected in order to improve the quality of the food served. Phu Tan, Cho Moi and Phu Cam Districts, which had nothing but private services several years ago, have invested millions of dong in the construction of state-operated service installations and have, with capital pooled by the people, developed nearly 100 service installations managed by marketing cooperatives within the locality.

The provincial commerce sector has rented a number of service installations

from private businessmen in order to reopen them as state-operated service stores. As a result, the two cities of Chau Doc and Long Xuyen have opened dozens of new service installations.

Ben Tre City now controls the distribution and circulation of 12 essential goods: rice, meat, shrimp, fish, vegetables and fruit, industrial goods and agricultural technical supplies.

More than 50 grain, food product, vegetable and fruit wholesalers have been shifted to small industry and handicraft production. A number of skilled businessmen have been selected to work on a commission basis as retail sales agents. The city's commercial grain network, which is closely tied to the agricultural production collectives, has the task of procuring surplus grain among farmers and delivering it to local sales agents for sale at business support prices. The village and subward marketing cooperatives keep abreast of the number of hogs being raised at each household and organize the procurement of hogs among the people. After delivering 70 percent of the hogs procured to the Level II Commerce Corporation, the cooperatives organize the slaughtering and sale of the remaining hogs to the people, thereby correcting the problem of hogs being slaughtered illegally. The city has organized a force to procure fresh water shrimp and fish and has established ties with Ba Tri, Binh Dai and Thanh Phu Districts to control the sources of ocean shrimp and fish through the network of retail sales agents for distribution to the people. The city has also reorganized the market area. It now consists of more than 800 counters and nearly 100 teams selling products of all types in accordance with the new, civilized order within commerce. All state stores, marketing cooperatives and small businesses post the price of each product and sell their products at posted prices under the close scrutiny of the Outdoor Market Management Committee and the Commerce Market Management Committee.

7409

CSU: 4209/58

ECONOMIC PLANNING, TRADE AND FINANCE

RESULTS OF MARKET TRANSFORMATION, MANAGEMENT OBTAINED

Hanoi QUAN DOI NHAN DAN in Vietnamese 29 Oct 84 p 3

[Article by Tran Dinh Ba: "On the Distribution-Circulation Front -- State of Market Transformation and Management in Quang Nam-Da Nang Province "]

[Text] Editor's note: Implementing the resolution of the 6th Plenum of the CPV Central Committee, Quang Nam-Da Nang Province has taken positive measures to resolve urgent problems on the distribution-circulation front and obtained many initial results.

For the armed forces cadres and combatants to get to know how the localities have implemented the party Central Committee resolution, we review the work that Quang Nam-Da Nang has done.

Quang Nam-Da Nang is a large province in terms of both land and population and is located in the center of the country, which makes it convenient for the flow of goods to run between it and both the northern and southern provinces. It also has a large port city. Da Nang itself has nearly 30,000 private business households. Therefore, market transformation and management in Quang Nam-Da Nang is an extremely complex task. Recently what work did it do and what results have it obtained?

Development of Socialist Commerce

In all parts of Quang Nam-Da Nang, from its municipality, cities and towns to the sparsely-populated highland villages, beside the state-operated stores there are many counters and stores of the marketing cooperatives, which together create a wide socialist commercial network, gradually move toward mastering the market and become a domestic force decisively and actively serving the people and armed forces in connection with the standard of living and production.

In the development of commerce in Quang Nam-Da Nang what was noteworthy was the fact that in addition to a broad development the Commercial Service leaders were paying special attention to an in-depth development by perfecting its machinery, reinforcing the leading cadres at all levels who have received regular training and having the required managerial capabilities and qualities and establishing specialized corporations in the province and districts. In the first 6 months of 1984 the Commercial Service established 2 new corporations to let out work on contract and to purchase vegetables and fruits, changed the operations of the food and beverage and service corporation and opened 8 additional stores in the key areas to do business and to provide services. At the same time, in all districts and cities the district commercial corporations were all fully operational. Also in the first 6 months of 1984, the state-operated stores were further reinforced with 559 newly-graduated cadres.

Under the strict leadership of the party committee echelons and administration, the business activities of the socialist commercial network did not solely involve commercial operations but were mainly concentrated on serving production and the living conditions of cadres, workers, civil servants and the armed forces. For special groups of people Quang Nam-Da Nang had a priority policy -- to open for instance a special counter solely serving wounded soldiers and B cadres. In the case of the seriously wounded soldiers, state store staff members in all areas were taking turns serving them at home. In the first 9 months of this year, the cadres, workers and civil servants in Quang Nam-Da Nang were able to buy goods that amounted to an average of 72.6 percent of their actual wages. In the agricultural sector, as to the goods sold on contract and without a contract, which included goods from both state stores and marketing cooperatives, in the first 9 months of 1984 a highland household in the province bought an average of 900 dong of state-supplied goods per month and a delta household, 700 dong.

Private, Small Business People

The most basic and correct way that brings about the best results to transform the private and small business people is to move them into productive sectors where they will directly make products for society.

In the phase of industrial and commercial transformation in 1978, Quang Nam-Da Nang had been carrying on strict transformation of 220 large business households, with 100 of them being moved into production. A survey of nearly 40,000 small business households revealed that as many as 5,000 households had been families of farmers and in the war years had left the countryside to come to cities to live on business. The provincial organ in charge of market guidance and management had been assisting them in returning to their old native villages to do farming. The rest of them who had refused to

go back had been moved into cooperatives specialized in growing vegetables in the outskirts of the municipality and cities. Quang Nam-Da Nang has so far built two agricultural cooperatives specialized in growing vegetables -- Hoa Cuong Cooperative in the outskirts of Da Nang Municipality and Bac My An Cooperative in the outskirts of Hoi An City. Receiving investment from the commercial sector and getting grain and rice at stable prices, the two cooperatives have been delivering all of the green vegetables they have produced to the commercial service for supplying to the municipality and city, where pressure has been reduced, mostly in preharvest periods.

In the sector of small industry and handicraft and marketing cooperatives, the latter absorbed tens of thousands of laborers. A small industry and handicraft cooperative that attracted lots of laborers and was doing good business was the bamboo blinds-making cooperative in Cam Pho Subward of Hoi An City. This production installation had as many as 1,000 laborers and an annual production of 100,000 square meters of bamboo blinds of high quality for export.

In the food and beverage and services sector, tens of cooperatives have been established. After having been in business for 5 years, the Dong Tam Food and Beverage Cooperative at the Da Nang railroad station, with 46 members (who had been private business people running their own food and beverage establishments at the station), has emerged as a progressive model in Quang Nam-Da Nang's food and beverage and services sector. If quality were associated with prices, the Dong Tam food and beverage store would be the best because its prices were the lowest. In 1983 the cooperative had a turnover of 6.5 million dong, including 5 million dong it earned from solely being a caterer for conferences. The current fixed assets of this store amount to 3 million dong today.

Quang Nam-Da Nang has 138 markets throughout the province, 31 in Da Nang Municipality alone. Con Market with 1,820 business households and Han Market with 650 business households are the largest ones in Da Nang. An urgent need in market transformation and management was to reform and reorganize all markets, particularly Con and Han Markets. The way to reorganize the business households in the Quang Nam-Da Nang markets was to establish teams based on lines of business. The leaders and deputy leaders of these teams were also leaders and deputy leaders of women's association chapters being active in their subwards. So far 40 of 138 markets in Quang Nam-Da Nang have completed phase 1 of the reorganizing task as they established 856 line-of-business teams with 11,000 free-business people, who for the first time joined the activities in "self-managed" style of organization under the unified management of market management boards in markets.

Effective Joint Enterprise

On the basis of implementing the line on transforming the capitalist and privately-operated industry and commerce and studying the application of the friendly localities' experiences in making managerial reforms, Quang Nam-Da Nang Province recently launched a pilot project involving a form of "joint enterprise" with individual business households in the food and beverage and services, and ready-made clothing sectors.

The way Quang Nam-Da Nang runs the "joint enterprise" is as follows: on the side of private business people (former owners), they retain the same business premises, properties, means and manpower serving the business, as well as the right to direct the operations as owners. The latter each month can use 4-5 percent of profits to spend on public relations. On the side of the state, it puts into the store only three persons: a store deputy head, an accountant and a treasurer; as to the business premises, it pays a sum of money that has been determined as 40 dong/square meter/month for a good business location and 20 dong/square meter/month for the poorest location. As to assets, means and capital, the 2 sides agree to a 50-50 formula; after an assessment has been made as to the values of all assets, means (excluding the building) and capital of the old business establishment, the state will put into the joint enterprise an equivalent sum of money for its operations.

For members of the technical staff and all other staff members, their wages, bonuses, two free meals per day and clothing expenses (if any) will be kept the same as the regulations dictate. At Tu Do Restaurant, the average monthly wages of staff members are 1,000 dong; in addition, as they work a full day, they are entitled to having 2 meals at the internal price of 40 dong each.

After 2 months of "joint enterprise" with Tu Do Restaurant and My Toan Tailoring Shop, the market management organ in Quang Nam-Da Nang Province has found the following results: according to the most recent business registration, the restaurant had a turnover of 600,000 dong/month and paid 94,000 dong of taxes a month. But in reality in the past month its turnover was 1.2 million dong and taxes were 120,000 dong, an increase of 26,000 dong in the amount of taxes paid. In addition to this tax increase, each month there were tens of thousands of dong that came from the combined-capital joint operation. The "joint enterprise" has thus brought about obvious results not only from increased turnover, profits and taxes but also from better market management through more stable prices.

We think that to organize joint enterprise is a rather good way to manage and reform the market that brings about good results in many aspects.

TRANSPORTATION AND COMMUNICATIONS

HANOI-CAO BANG WIRED COMMUNICATIONS LINK OPENED

Hanoi QUAN DOI NHAN DAN in Vietnamese 28 Sep 84 p 1

[Article Nguyen Doan: "Hanoi-Cao Bang Wire Line Constructed"]

[Text] The Cao Bang-Hanoi wired communications line has been opened. It is now possible for many telephone conversations and telegraph transmissions to take place between Cao Bang and the central level at the same time.

In the border war that they unleashed in February 1979, the Chinese aggressor forces seriously damaged this wire line.

To carry out the two tasks of building socialism and defending the socialist fatherland, the Posts-Telecommunications General Department decided to restore the Cao Bang-Hanoi wire line. When it was assigned this task, Telecommunications Center 1 mobilized more than 100 laborers of Wire Units 130, 131, 125 and 128, two survey and testing trucks of the Communications Equipment Installation shop, three special purpose wire trucks and other equipment and materials to construct the 280 kilometer line. They used 9,400 porcelain insulators, 300 cross pieces and 4 tons of wire to repair and rebuild the line. The posts-telecommunications sector coordinated this work with renovating its network organization to enable direct communications between Cao Bang and Hanoi. In the spirit of doing everything possible to support the border areas, workers of the center worked from 0600 hours in the morning to 1900 hours in the evening installing cross pieces and insulators. The equipment installers worked 24 hours a day in shifts. The Posts-Telecommunications Supply Corporation opened new supply sources and provided a full and timely supply of materials to Telecommunications Center 1 for construction. The project was completed 10 days ahead of schedule.

At present, Telecommunications Center 1, with the active assistance of the Posts-Telecommunications Supply Corporation and the mountain region Posts-Telecommunications School, is building and strengthening the various security stations and supplying additional equipment and manpower to these stations so that they can maintain and protect the newly constructed wire line.

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